

H9D8TUC1

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA,

4 v.

16 Cr. 91 (PKC)

5 SCOTT TUCKER,  
6 TIMOTHY MUIR,

7 Defendants.

Trial

8 September 13, 2017  
9 10:20 a.m.

10 Before:

HON. P. KEVIN CASTEL

11 District Judge

12 APPEARANCES

13 JOON H. KIM  
14 Acting United States Attorney for the  
15 Southern District of New York  
16 BY: NIKETH V. VELAMOOR  
HAGAN C. SCOTTEN  
SAGAR K. RAVI  
Assistant United States Attorneys

17 FREEMAN NOOTER & GINSBERG  
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18 BY: LEE A. GINSBERG  
NADJIA LIMANI

19 -and-  
20 STAMPUR & ROTH  
BY: JAMES M. ROTH

21 BATH & EDMONDS, P.A.  
Attorneys for Defendant Muir

22 BY: THOMAS J. BATH  
-and-

23 BEVERLY VAN NESS  
24  
25

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(Trial resumed; jury not present)

THE COURT: Please remain standing and bring our jury in.

MR. RAVI: Your Honor, I just want to note the parties would like to start off reading a stipulation.

THE COURT: OK. That's fine.

(Jury present)

THE COURT: Good morning, ladies and gentlemen. I hope you had a reasonably easy time in and a good evening last night. We are ready for action.

I know that two of you have asked for notes for your employers, and we will work on that, and I will personally sign the notes.

One of you received a jury summons from the state court in the Bronx. Under our wonderful United States Constitution and its supremacy clause, this will not be a difficulty. We will write to the clerk of the supreme court, and give you a copy of the letter, indicating that you are actually engaged in this trial and cannot comply with the subpoena, and that we request that jury service be adjourned to another date.

Another of our jurors has a note from a doctor setting an appointment for tomorrow, and we will call and get that appointment adjourned to a more convenient time so that we can continue.

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1           So we will be back to you with those notes and with  
2           the updated information.

3           And with that, I am told that there is a stipulation  
4           between the parties that one side wishes to read at this time.

5           You may do so.

6           MR. RAVI: Thank you, your Honor.

7           At this time, I will be reading --

8           THE COURT: Is it a factual stipulation or a  
9           testimonial stipulation?

10          MR. RAVI: It is a testimonial stipulation.

11          THE COURT: OK.

12          A testimonial stipulation is a stipulation that, if a  
13          witness were called to testify in the case, the witness would  
14          testify that such and such is true.

15          When there is a stipulation, all of the parties to the  
16          case have agreed that this is in fact the case that the witness  
17          would so testify, and to make the trial proceed in a more  
18          efficient manner, they have agreed that there is no need to  
19          have that witness take the stand and so testify.

20          You must accept that the witness, if called, would so  
21          testify. You must accept that. But the weight to be given the  
22          significance of that testimony is entirely up to you to decide.

23          You may proceed.

24          MR. RAVI: Thank you. I will be reading from  
25          Government Exhibit 5002, a stipulation captioned United States

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1 of America v. Scott Tucker and Timothy Muir.

2 "It is hereby estimated and agreed by and among United  
3 States of America, by Joon H. Kim, Acting United States  
4 Attorney for the Southern District of New York, Niketh  
5 Velamoor, Hagan Scotten and Sagar Ravi, Assistant United States  
6 Attorneys, of counsel, Scott Tucker, the defendant, by his  
7 attorneys, James Roth, Esq. Lee Ginsberg, Esq., and Nadjia  
8 Limani, Esq., and Timothy Muir, the defendant, by his  
9 attorneys, Tom Bath, Esq. and Marc Agnifilo, Esq., that:

10 "1. If called as a witness at trial, a representative  
11 of the each of the following producing institutions -- defined  
12 the 'Institutions' -- would testify that the documents within  
13 the following Bates ranges consist of true and accurate copies  
14 of records of the institutions:

15 "AMG, with Bates ranges AMG-513-00000001-00003228,  
16 AMG-922-00000001-00007215, AMG-SDNY-00000001-03906035.

17 "BA Services, with Bates ranges BAS000001-033255."

18 THE COURT: Let me pause. What is a Bates range?

19 A Bates range is a company called Bates, and they make  
20 stamping machines, or they did in the old days. And when a  
21 party produces documents, they will produce them in sequential  
22 order. The first document number one, the second one number  
23 two. This is so you can come back and see what it is you have  
24 produced, you have a number range. I don't know whether they  
25 actually used a Bates stamping machine, but it has become a

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1 popular term to indicate it's the range of numerical sequence  
2 of the documents that were produced.

3 So if somebody asked you to produce certain records  
4 from your files and you were working with an attorney, the  
5 attorney would say, well, before we do this, we are going to  
6 assign numbers to these documents so we know what we did and  
7 there is no dispute about it down the road.

8 Go ahead.

9 MR. RAVI: Thank you, your Honor.

10 "Level 5, with Bates range LV0000011-177993.

11 "Miami Nation Enterprises ('MNE'), with Bates ranges  
12 MNE-922-00000001-00012011, as well as  
13 MNE-SDNY-00000001-00181988.

14 "Red Cedar Services --"

15 THE COURT: Pause. So the other thing is you notice  
16 that there are some letters, some initials. Well, maybe a  
17 bunch of people are going to be producing things, so you might  
18 have your initials before the number so it doesn't get confused  
19 with somebody else's document 732. So it would be your  
20 initials, or a company's initials for example, and then the  
21 number. That's what the letters mean. It's not as complicated  
22 as it sounds.

23 Go ahead.

24 MR. RAVI: Thank you.

25 "Red Cedar Services, RCS00000001-00031095.

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1 "Santee Financial Services ('SFS'), with Bates ranges  
2 SFS000000001-00025456.

3 "It is further stipulated and agreed that this  
4 stipulation, marked as Government Exhibit 5002, is admissible  
5 in evidence at trial."

6 It's signed by the parties.

7 At this time, the government offers Government Exhibit  
8 5002.

9 THE COURT: Any objection?

10 MR. BATH: No, Judge.

11 THE COURT: It's received.

12 (Government's Exhibit 5002 received in evidence)

13 THE COURT: Thank you.

14 You may call the witness back to the stand for the  
15 continuation of cross-examination.

16 MR. RAVI: Thank you.

17 (Continued on next page)

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Hamner - Cross

1 RICHARD HAMNER, resumed.

2 THE COURT: Come on up, Mr. Hamner. Please be seated.

3 The Court reminds you, sir, that you are still under  
4 oath.

5 THE WITNESS: Yes, your Honor.

6 THE COURT: Mr. Bath, you may continue.

7 MR. BATH: Thank you, Judge.

8 CROSS-EXAMINATION (Cont'd)

9 BY MR. BATH:

10 Q. Mr. Hamner, we left off yesterday looking at Government  
11 Exhibit 2701.

12 MR. BATH: If we could have that on the screen,  
13 please.

14 Q. I think you have that before you as well. If it's easier  
15 for you to look at the hard copy, please do.

16 I am going to direct your attention to page 2. I  
17 think those are front to back copies. And we have two on the  
18 screen.

19 Is that the one you have, Mr. Hamner?

20 A. Yes, sir, it is.

21 Q. In the very far bottom right-hand corner of the screen, you  
22 see there is a letter, it says AMG-513 with some other letters?

23 A. Yes, I see it.

24 Q. You don't know anything about those letters, correct?

25 A. No, sir.

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Hamner - Cross

1 Q. Very well.

2 I want you to go back up now to the top third, we are  
3 going to highlight and enlarge the top third of that document.

4 That document tells us that there was going to be a  
5 pay off due date 11/2 of '12 for 325. Do you see that?

6 A. Yes, I see it.

7 Q. Overnight were you able to look at any additional documents  
8 at all?

9 A. No, sir.

10 Q. So we are really just picking up where we left off  
11 yesterday?

12 A. That's correct.

13 Q. In that highlighted to the right, you will see it says,  
14 "renewal due date," and it says "NA".

15 A. Yes.

16 Q. Then below that, we have \$75 and NA and a 250, correct?

17 A. That's correct.

18 Q. That adds up to the 325, correct?

19 A. That's correct, yes.

20 Q. Now, go down then to the middle of the page, on the lower  
21 third I guess, and there is -- he's going to blow that up for  
22 you.

23 Do you see on the right-hand side of that box it says  
24 "payment schedule"?

25 A. Yes.



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Hamner - Cross

1 Q. It says, "You must make one payment of 325 on 11/2 of '12  
2 if you choose to pay off your loan rather than renew."  
3 Correct?

4 A. That's what it says, yes.

5 Q. Finally, at the bottom of that page, it says, "You have  
6 selected to pay your total balance of 325 on 11/2 of '12. Any  
7 previous schedule you may have selected has now been replaced  
8 with this new selection."

9 Did I read that correctly?

10 A. Yes, sir.

11 Q. And there is an electronic signature, is there not with  
12 Richard Hamner there?

13 A. I see my name and a date.

14 Q. Fair enough.

15 The date is 10/21 of '12?

16 A. That's correct.

17 Q. As I understand it, you don't have any recollection, or you  
18 can't recall whether you went into the system and selected this  
19 date?

20 A. That's correct, I don't remember.

21 Q. I also recall yesterday us discussing that you weren't sure  
22 if that 11/2 of '12 was a pay date for you. Do you remember  
23 that, we discussed that?

24 A. I'm sorry, which date?

25 Q. The date it was going to be paid was 11/2 of '12, and you

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Hamner - Cross

1 couldn't recall if that was a date that you would be paid or  
2 not?

3 A. Is that in regards to this date on the screen?

4 Q. You see, "You have selected to pay your total balance of  
5 325 on 1/2 of '12." Do you see that?

6 A. Yes, sir.

7 Q. You were uncertain whether that was an every two-week pay  
8 date for you, correct?

9 A. That appears to be a pay date, yes.

10 Q. If we look at the Wells Fargo, which we will do in a  
11 minute, that will help refresh your memory maybe as to whether  
12 that was a pay date from the scooter store?

13 A. Yes.

14 Q. Because that's where you were working at the time?

15 A. That's right.

16 Q. If we go to page 1 of 2702, please.

17 The top of that document says 10/25 of '12, is that  
18 right?

19 A. That's correct.

20 Q. And this document says -- it's an e-mail to you, correct?

21 Do you remember whether you got it or not?

22 A. I don't remember seeing this e-mail.

23 Q. That date, the 10/25 date, is four days after the document  
24 we just looked at, the 325 pay off document, correct?

25 A. That's correct, yes.

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Hamner - Cross

1 Q. So this document we are looking at on the screen would have  
2 come four days after -- it was produced four days after that  
3 document, correct?

4 A. Yes, that's correct.

5 Q. And 2702, the first page, again has this minimum payment of  
6 325 on it, does it not?

7 A. Yes, it does.

8 Q. Now, I want to look at 2703. I think you have those in  
9 front of you. Those are the Wells Fargo documents?

10 A. Yes.

11 Q. I am going to direct your attention -- I want to go to that  
12 date, that 11/2 date, which is page 4 of 7 of the October  
13 statement. It may take you a couple of minutes because it's a  
14 pretty thick document. Let me know when you're there.

15 A. OK. I see it.

16 Q. OK. We are getting it up on the screen.

17 While they are doing that, let me ask you a question.  
18 The Wells Fargo account, was that a checking account, a debit  
19 account, what kind of an account was it?

20 A. It was a checking account.

21 Q. So you had the ability to pay bills by check?

22 A. That's correct.

23 Q. Write checks yourself? Do you write checks off of that  
24 account?

25 A. I have the ability to do so, yes.

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Hamner - Cross

1 Q. Or electronic transfers?

2 A. Correct. Yes.

3 Q. If we could look at that on 2703, it's the date of 11/2.

4 MR. BATH: If we could highlight from 11/1 down.

5 Thank you.

6 Q. OK. You recall, Mr. Hamner, the document we saw earlier  
7 had the 11/2 date on it, correct?

8 A. Yes, that's correct.

9 Q. That document said the 325 was going to be debited from  
10 your account, correct?

11 A. Yes. That does state that.

12 Q. Before we get there, let's look at the firm that this was a  
13 pay date for you. And we see on 11/2, there is a deposit from  
14 the scooter store, is that correct?

15 A. Yes.

16 Q. For 1,198.11, correct?

17 A. Yes, sir.

18 Q. Then we have a couple below that. There are a couple of  
19 transactions, credit card transactions. But then we have two  
20 cash withdrawals, do we not?

21 A. Yes, we do.

22 Q. We have an ATM withdrawal, on that same date of 11/2, of  
23 \$200, am I correct?

24 A. Yes, sir.

25 Q. And on 11/2, we also have a \$905 cash withdrawal from a

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Hamner - Cross

1 branch store?

2 A. Yes.

3 Q. I assume because of the time gone by you don't really  
4 remember?

5 A. No, sir, I don't.

6 Q. What we do know from looking at this is that the day that  
7 essentially \$1200 went into your account, somebody, either you  
8 or an authorized user, drew out \$1100 of it, correct?

9 A. That's correct, yes.

10 Q. That then left a negative balance at least to try to cover  
11 the 325, correct?

12 A. To cover 325, yes, that's correct.

13 Q. We see the One Click Cash debit, as promised on 11/2, hits  
14 for 325, do we not?

15 A. Yes, we do.

16 Q. As an auditor, I assume you're sort of used to looking at  
17 these kind of documents?

18 A. That's correct.

19 Q. Had you gotten your master's yet at this time?

20 A. No. This was prior to completion of my bachelor's degree.

21 Q. You were still in accounting classes?

22 A. Yes, I believe so.

23 Q. So what happens when that 325 doesn't clear, there is a  
24 debit reversal of 325?

25 A. That's what it says.

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Hamner - Cross

1 Q. Then it shows a return on item fee for \$35, correct?

2 A. Yes, that's correct.

3 Q. That's Wells Fargo that is doing that, correct?

4 A. Yes.

5 Q. In other words, when you signed up with Wells Fargo, you  
6 agreed that if you overdrew your account, they could charge you  
7 some money?

8 A. That's correct.

9 Q. I mean, do you remember signing that or you just know  
10 that's what happens?

11 A. I don't remember specifically signing that, but I do know  
12 that that's what happens, yes.

13 Q. Then on 11/5, you have three transactions there: Carl's,  
14 York Photo, and McDonald's?

15 A. Yes, that's correct.

16 MR. BATH: If we can go to the top of the next page.

17 Can we highlight all those transactions?

18 Q. Then we have a \$39 transaction to Auto Fair, and then a  
19 5.37 at Burger King, correct?

20 A. Yes, that's correct.

21 Q. Then there is an overdraft fee because of the Burger King,  
22 correct?

23 A. That's right, yes.

24 Q. And that \$35 fee, again, that's Wells Fargo doing that,  
25 correct?

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Hamner - Cross

1 A. That's correct, yes.

2 Q. Essentially, Wells Fargo loaned you the 5.37 for the Burger  
3 King and they charged you \$35 for that?

4 A. Essentially, yes.

5 Q. For one day, correct?

6 A. Correct.

7 Q. I assume you don't know what that APR is?

8 A. Not off the top of my head, no.

9 Q. So as we continue down then --

10 THE COURT: Well, the \$35, what was that charge for?

11 THE WITNESS: This is an overdraft fee.

12 THE COURT: What is the bank you were doing business  
13 with?

14 THE WITNESS: Wells Fargo, your Honor.

15 THE COURT: Does the overdraft fee have anything to do  
16 with the length of time that the check was overdraft for? In  
17 other words, if a check bounces, do you get the \$35 fee, right?

18 THE WITNESS: That's correct. I believe so.

19 THE COURT: For one minute, one hour, or one day,  
20 right?

21 THE WITNESS: I think it's one day, yes.

22 THE COURT: One day. OK.

23 Is it a daily charge?

24 THE WITNESS: No, I believe it's a one-time charge.

25 THE COURT: So it's a charge that relates not to

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Hamner - Cross

1 borrowing money from the bank, but from your causing a check to  
2 bounce?

3 THE WITNESS: That's correct, your Honor.

4 THE COURT: Just wanted to clear that up.

5 Go ahead.

6 MR. BATH: Thank you, judge.

7 BY MR. BATH:

8 Q. Then as we go down further, these are the transactions you  
9 were asked on direct.

10 We continue in your history to 11/7, and that's when  
11 then the 250 and the 75 on 11/7 is attempted to be taken out,  
12 correct?

13 A. That's correct, yes.

14 Q. Those two, obviously, add up to 325, do they not?

15 A. Those two transactions?

16 Q. Yes. 250 and 75 is 325?

17 A. That's correct.

18 Q. Do you now remember that relates back to the 325 from 11/2  
19 that relates back to the transaction in October?

20 A. I don't remember the relation, no.

21 Q. OK. Then there is on 11/8 a return NFS, \$35 that Wells  
22 Fargo charges you, correct?

23 A. That's correct, yes.

24 Q. Because the authorized debit didn't go through, the 325,  
25 correct?



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Hamner - Redirect

1 A. The NFS return item fee is relating to 250 on 11/7.

2 Q. We then continue on -- am I correct to say from 11/2  
3 through this 11/7 period, the \$1100 that was taken in cash was  
4 not deposited back into this account, was it?

5 A. I don't know.

6 MR. BATH: That's all I have. Thank you.

7 THE COURT: Any other cross-examination?

8 MR. ROTH: No, your Honor.

9 THE COURT: Any redirect?

10 MR. RAVI: Yes, your Honor.

11 THE COURT: All right.

12 REDIRECT EXAMINATION

13 BY MR. RAVI:

14 Q. Mr. Hamner, defense counsel showed you -- Mr. Bath showed  
15 you Exhibit D1200, correct?

16 MR. RAVI: Would you please publish that?

17 Q. It should be on your screen. Correct?

18 A. Yes, that's correct.

19 Q. What is the date on this e-mail?

20 A. August 12, 2012.

21 Q. Is it dated before or after you applied for the loan?

22 A. This is after I applied for the loan.

23 Q. Is it dated before or after you came to an understanding  
24 that your \$300 loan would cost you \$90?

25 A. This is after I obtained that understanding.

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Hamner - Redirect

1 Q. Do you recall reading this e-mail when it was sent?

2 A. I recall seeing it. I don't recall reading it in its  
3 entirety.

4 Q. Mr. Hamner, even reading it now, does it change your  
5 understanding that your \$300 loan cost \$90?

6 A. No, it doesn't change that understanding.

7 Q. Did you ever understand that you had to do something in  
8 order to pay \$90 for your loan?

9 A. No. I assumed the full amount would be withdrawn from my  
10 account.

11 Q. That was the \$390?

12 A. That's correct, yes.

13 Q. Did you ever agree to a renewal of your loan?

14 A. Not that I'm aware of, no.

15 Q. Did you ever agree to an automatic renewal of your loan?

16 A. Not that I recall, no.

17 Q. Was there any other reason you believed that your loan  
18 would not be automatically renewed?

19 A. That it would not be automatically renewed?

20 Q. You had already taken out payday loans, correct?

21 A. That's correct.

22 Q. The other payday loans you have taken out, did those have  
23 automatic renewals?

24 MR. BATH: I object to other payday loans.

25 THE COURT: Overruled.

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Hamner - Redirect

1 A. I'm sorry. Can you repeat the question?

2 Q. You had taken other payday loans out?

3 A. That's correct.

4 Q. In connection with those, were there automatic renewals?

5 A. No, there were not.

6 Q. How did that affect your understanding as to whether there  
7 would be an automatic renewal for this particular loan with One  
8 Click Cash?

9 A. I believed that this would follow the same pattern and not  
10 renew unless I chose to renew it.

11 Q. In other words, for those other loans not involving One  
12 Click Cash, you had to do something in order to get a renewal,  
13 correct?

14 A. That's correct, yes.

15 Q. What was the basis for why you understood your loan would  
16 cost \$90?

17 A. The finance charge listed on the application.

18 Q. In those boxes we previously discussed?

19 A. That's correct, yes.

20 MR. RAVI: Would you put up GX 2701, at page 7.

21 Q. Are these the boxes on page 7 of GX 2701?

22 A. Yes, they are.

23 MR. RAVI: Thank you. You can take that down.

24 Q. Mr. Hamner, defense counsel showed you several e-mails  
25 regarding amounts of payments that were due on your loan,

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Hamner - Redirect

1 correct?

2 A. That's correct.

3 MR. RAVI: Can we show, for example, page 8 of  
4 Government Exhibit 2702.

5 Q. Is this one of those e-mails?

6 A. Yes, it appears to be, yes.

7 Q. What is the date on this?

8 A. August 14, 2012.

9 Q. Was this e-mail sent to you before or after you applied for  
10 the loan?

11 A. After.

12 Q. Did these e-mails specify whether the payments were going  
13 to be going towards principal and interest?

14 A. No, they did not.

15 Q. When the withdrawals were made from your bank account, did  
16 you think they were going towards the \$390 you owed or  
17 something else?

18 A. I believed they were going towards the \$390 that I owed.

19 Q. Turn now to page 1.

20 Mr. Bath focused on a \$325 payment, is that correct?

21 A. That's correct, yes.

22 Q. Also, on page 2 of GX 2702, if we can turn to that, this is  
23 again page 2 regarding that same \$325 payment, correct?

24 A. Yes.

25 MR. RAVI: If we can actually go back to page 1, Ms.

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Hamner - Redirect

1 Grant.

2 Q. What is the date of this e-mail?

3 A. October 25, 2012.

4 MR. RAVI: If we can put Government Exhibit 2704 next  
5 to it.

6 Q. Now, Mr. Hamner, by the time that e-mail was sent on  
7 October 25, 2012, had \$500 already been withdrawn from your  
8 bank account by One Click Cash by the time that e-mail was  
9 sent?

10 A. That's correct, yes.

11 Q. Did you agree to make that payment after you had spoken  
12 with One Click Cash?

13 A. I'm sorry, the \$325 payment?

14 Q. After there had been \$500 in withdrawals, did you agree to  
15 make additional payments to One Click Cash?

16 A. Yes, I did.

17 Q. Did you agree to make those payments after you had spoken  
18 to One Click Cash?

19 A. Yes, that's correct.

20 Q. Why did you agree to make those payments?

21 A. I felt like I didn't have a choice, I needed to make  
22 additional payments to close the account.

23 Q. What did they tell you to make you feel that way?

24 A. They told me that they were part of a sovereign nation and  
25 not subject to U.S. law, and that I would have to make payments

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Hamner - Redirect

1 or additional debits would come out of my account.

2 Q. Did you also, after you had already made the additional  
3 payments we see on the chart, did you have a second  
4 conversation with them?

5 A. Yes, I did.

6 Q. Did you agree to make that final \$32.50 payment?

7 A. Yes, I did.

8 Q. Why did you agree to make that payment?

9 A. I was told that was the amount needed to close my account.

10 Q. Were you told anything about why you had to make that  
11 payment?

12 A. Not that I remember, no.

13 Q. In total, after you made that \$32.50 payment, Mr. Hamner,  
14 how much did you pay back for your \$300 loan?

15 A. \$937.50.

16 MR. RAVI: No further questions.

17 THE COURT: All right. You may step down.

18 (Witness excused)

19 THE COURT: Call your next witness.

20 MR. VELAMOOR: The government calls Kelly Rogers.

21 THE COURT: Ms. Rogers, follow this young lady here  
22 and she will give you directions as to where to go.

23 Thank you.

24 (Continued on next page)

25 KELLY ROGERS,

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Rogers - Direct

1 called as a witness by the government,

2 having been duly sworn, testified as follows:

3 THE DEPUTY CLERK: State your name and spell it for  
4 the record, please.

5 THE WITNESS: My name is Kelly Ann Rogers.

6 THE COURT: Would you mind spelling it.

7 THE WITNESS: K-E-L-L-Y, A-N-N, R-O-G-E-R-S.

8 THE COURT: Thank you.

9 You may inquire.

10 DIRECT EXAMINATION

11 BY MR. VELAMOOR:

12 Q. Good morning, Ms. Rogers.

13 Where are you from?

14 A. Originally I am from Olathe, Kansas.

15 Q. When were you born?

16 A. March 31, 1981.

17 Q. How far did you go in school?

18 A. I graduated high school and I have some college.

19 Q. How much college did you say?

20 A. I have about a year.

21 Q. What did you do after you had spent a year in college?

22 A. I entered the work force.

23 Q. What kind of work?

24 A. I did inventory management at first.

25 Q. How long did you do that?

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Rogers - Direct

1 A. I'm sorry?

2 Q. How long did you do that kind of work for?

3 A. For about two years.

4 Q. After two years of inventory management, what did you do  
5 next?

6 A. I got employed at CLK Management.

7 Q. What kind of company was CLK Management?

8 A. They were an online payday loan lending company.

9 Q. When you say online payday lending, briefly, what do you  
10 mean?

11 A. That's a short-term loan to be paid back on your payday.

12 Q. You said you started at CLK Management. How long did you  
13 remain at that company?

14 A. I worked for CLK for about 11 years total.

15 Q. When you started, you said the company was called CLK  
16 Management. Did the company also have another name?

17 A. Yes, it did. It turned to AMG.

18 Q. At the time you first started, it was CLK Management. Was  
19 there also another name at that time?

20 A. There was National Money Services.

21 Q. So, initially, it's CLK and National Money Services?

22 A. Yes.

23 Q. And National Money Services went by NMS?

24 A. Yes.

25 Q. How did CLK and NMS relate to each other?



H9D8TUC1

Rogers - Direct

1 A. They were sister companies.

2 Q. What do you mean by that?

3 A. They were directly related. They were on the same floor  
4 with each other so they did the same business.

5 Q. Did you observe any differences in their operations?

6 A. No.

7 Q. You said that you initially were employed by CLK. Did you  
8 only work for CLK?

9 A. No. I also worked for NMS as well. I worked for CLK  
10 during the daytime, and then for a short period at night I  
11 worked for National Money Services.

12 Q. When you started, how many employees did these two  
13 companies have together?

14 A. Probably around 60 or so.

15 Q. Did they share employees in common?

16 A. Yes, they did.

17 Q. I believe you said at some point the company became AMG?

18 A. Yes.

19 Q. Did anything change apart from the name?

20 A. No. The processes were still the same.

21 Q. By the way, do you know what CLK and AMG stood for?

22 A. CLK and AMG were models of Mercedes cars, and that's what I  
23 always knew, that they were chosen because they liked those  
24 cars.

25 Q. When you first started working at the company, what year

H9D8TUC1

Rogers - Direct

1 was that? Was that around 2001?

2 A. 2001.

3 Q. What was your position?

4 A. I was a loan officer.

5 Q. When you say loan officer, what do you mean?

6 A. I would review over customers' applications and make sure  
7 that they had all of the proper documentation, reviewed over  
8 their applications and then approved it to be approved so they  
9 could get their loan.

10 Q. At some point did you get promoted from the loan officer  
11 position?

12 A. Yes. I became a supervisor.

13 Q. What did you do as a supervisor?

14 A. You would manage the loan officers, make sure that they are  
15 doing what they need to be doing, and just make sure that their  
16 productivity is where it needs to be.

17 Q. How long did you remain as a supervisor?

18 A. About a year.

19 Q. Did you take on a different position at that point?

20 A. Yes, I became a manager.

21 Q. What did you do as a manager?

22 A. You still managed the employees, plus the supervisors. You  
23 do reports, you hire, you fire people.

24 Q. Did you have any involvement in training as a manager?

25 A. Yes. Whenever you are a manager or a supervisor, you sit

H9D8TUC1

Rogers - Direct

1 in on the training class, and you take notes and make sure that  
2 the training manual is being followed.

3 Q. I believe you said you worked at the company for about 11  
4 years?

5 A. Yes.

6 Q. Did you work continuously for 11 years at the company?

7 A. No.

8 Q. Did you leave at some point?

9 A. Yes, I did.

10 Q. Approximately when was that?

11 A. Around 2008.

12 Q. How come you left at 2008?

13 A. There were multiple reasons. One was I felt like the  
14 company was lying to the customer. The upper management was  
15 hard to get along with. You couldn't, you know, do things the  
16 right way. And then, also, they were giving higher loan  
17 amounts to customers that received disability and government  
18 benefits, disability and Social Security benefits.

19 Q. You started out by saying you felt the company was lying to  
20 customers. What kinds of things in general would the company  
21 lie to customers about?

22 A. The loan documents stated that the amount that they would  
23 be paying back is not the actual amount that they would  
24 original pay back based on the process that the loan would go  
25 through, as well as the location of where the business was

H9D8TUC1

Rogers - Direct

1 located.

2 Q. We will talk about those issues more in a minute.

3 How long were you gone from the company for?

4 A. About eight months.

5 Q. How come you went back?

6 A. The pay was better than what I was making at my other job  
7 that I was working.

8 Q. How much better?

9 A. Substantially better.

10 Q. Ms. Rogers, are you testifying here today pursuant to an  
11 agreement that you have with the government?

12 A. Yes.

13 Q. What is your understanding of what you have to do under  
14 that agreement?

15 A. Under that agreement, I have to truthfully state my  
16 experience with the company, and also not get into any trouble,  
17 any further trouble, and --

18 Q. If you fulfill your obligations under the agreement, what  
19 is your understanding of what the government will do?

20 A. They will not prosecute me.

21 Q. So I think before we spoke about the agreement we were  
22 talking about your salary.

23 Approximately how much were you paid at AMG? Maybe  
24 start when you were a loan processor.

25 A. A loan processor, if I remember right, it was around about

H9D8TUC1

Rogers - Direct

1 nine, ten dollars an hour.

2 Q. Did you only get an hourly wage or was there other  
3 compensation?

4 A. No, there was also bonuses as well.

5 Q. We will talk about that breakdown in a second. But in  
6 total, around how much did you think you were making as a loan  
7 processor?

8 A. Maybe 25, 30,000.

9 Q. You said you moved on to be supervisor. I am assuming you  
10 made more. How much were you making as a supervisor?

11 A. If I guessed, probably around, probably closer to 40,  
12 maybe.

13 Q. Then as a manager, around how much were you making?

14 A. About 60 to 65,000.

15 Q. Now, as a manager, did you also get an hourly wage?

16 A. Yes.

17 Q. How much was that?

18 A. \$18 an hour.

19 Q. Did you also get bonuses?

20 A. Yes.

21 Q. Approximately how much were you getting in bonuses?

22 A. It was around 2 to 3,000.

23 Q. Generally, how were those bonuses determined?

24 A. They were determined by multiple different factors, such as  
25 how many loans were processed, how many employees you retained

H9D8TUC1

Rogers - Direct

1 in your group, how many customers paid off or paid down, or  
2 different factors like those.

3 Q. Were all employees at AMG eligible for bonuses?

4 A. Yes.

5 Q. Generally, do you know how all those different bonuses were  
6 determined?

7 A. Depending on what the position was, it would be based on  
8 what your work was. So if you were a loan officer, for  
9 example, how many loans were funded, or if you were customer  
10 service rep, it would be how many calls were answered.

11 (Continued on next page)

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H9d1tuc2

Rogers - Direct

1 BY MR. VELAMMOOR:

2 Q. And when you finally left the company, how come you left?

3 A. I was terminated.

4 Q. How come?

5 A. I was not performing my job duties and I was missing work;  
6 I was missing time.

7 Q. How come?

8 A. I had a custody battle for my son and so I had to miss a  
9 lot of work then.

10 Q. Okay. All right. Let's talk a little bit more about the  
11 company when you first started working there. At that time  
12 where was it located?

13 A. It was located in Overland Park. No, sorry. Shawnee  
14 Mission.

15 Q. Shawnee Mission, is that S-H-A-W-N-E-E?

16 A. E-E.

17 Q. And where is that based?

18 A. It's in Kansas.

19 Q. At that time how much space was the company occupying?

20 A. They had one floor on a building called the Friends  
21 University Building.

22 Q. How long did you stay in that building in Shawnee Mission?

23 A. About maybe a year and a half.

24 Q. And after a year and a half did you move somewhere else?

25 A. Yes.

H9d1tuc2

Rogers - Direct

1 Q. Where did you go?

2 A. We moved to a building in Overland Park.

3 Q. Let me show you what's been marked as Government  
4 Exhibit 4009.

5 Did you have a chance to look at 4009?

6 A. Yes, sir.

7 Q. And what is this?

8 A. This is the Overland Park building.

9 Q. Is it a photo of it?

10 A. Yes, it is.

11 MR. VELAMoor: Your Honor, the government offers 4009.

12 THE COURT: Any objection?

13 MR. ROTH: No, Judge.

14 THE COURT: Received.

15 (Government's Exhibit 4009 received in evidence)

16 MR. VELAMoor: May I show it to the jury?

17 THE COURT: You may.

18 MR. VELAMoor: Thank you.

19 BY MR. VELAMoor:

20 Q. Okay. So by the way, where is Overland Park?

21 A. It's in Kansas.

22 Q. Is it near any major city?

23 A. It's very close to Kansas City.

24 Q. And is that the building that you worked out of for many  
25 years?



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Rogers - Direct

1 A. Yes.

2 Q. And around the time you got to the new building, the one  
3 we're looking at, about how big was the company?

4 A. It was probably around 200 people.

5 Q. And about how much of that building did the company occupy  
6 initially?

7 A. Starting off?

8 Q. Yes.

9 A. They had a floor in the building.

10 Q. Did it grow from that?

11 A. Yes.

12 Q. How so?

13 A. They ended up doing -- getting all of the floors that were  
14 in the building.

15 Q. To your knowledge did the company ever -- well, did the  
16 company ever move to another building while you were there?

17 A. Not that I'm aware of.

18 Q. And to your knowledge did the company have any other  
19 buildings anywhere else?

20 A. Not that I was aware.

21 Q. Were any other offices anywhere else?

22 A. No.

23 Q. All right. When you first started, can you describe the  
24 management structure of the company, maybe starting at the top.

25 A. Starting at the top, there would have been the owner, Scott

H9d1tuc2

Rogers - Direct

1 Tucker.

2 THE COURT: What did you say before Scott Tucker?

3 THE WITNESS: I'm sorry?

4 THE COURT: What did you say before Scott Tucker? I  
5 didn't hear it.

6 THE WITNESS: The owner of the company.

7 THE COURT: Thank you.

8 A. Then from there, they had directors of operations, which  
9 would have been Joel Tucker, Blaine Tucker, and Tim Buckley and  
10 Crystal Cram.

11 Q. You named four people -- Joel Tucker, Tim Buckley, Blaine  
12 Tucker, and Crystal Cram?

13 A. Yes.

14 Q. And what positions did they have?

15 A. They were like director of operations.

16 Q. And are you familiar with someone named Norma Tucker?

17 A. Yes.

18 Q. And what position did that person have?

19 A. She was like the manager of our fraud and compliance  
20 department.

21 Q. Okay. You mentioned I think a few people named Tucker --  
22 Scott, Joel, Blaine, and Norma?

23 A. Yes.

24 Q. Were they related to each other?

25 A. Yes, they were.

H9d1tuc2

Rogers - Direct

1 Q. How so?

2 A. Norma was their mother and all the rest are brothers.

3 Q. And are you familiar with someone named Anita Finney?

4 A. Yes.

5 Q. Who is she?

6 A. She would have been Scott Tucker's assistant or secretary.

7 Q. Okay. And I believe you started by mentioning Mr. Tucker  
8 as the owner. Do you see Mr. Tucker in the courtroom here  
9 today?

10 You can stand up if you need to if the monitor's in  
11 the way.

12 A. Yes, I do.

13 Q. Can you identify him by mentioning something he's wearing  
14 or where he's sitting.

15 MR. ROTH: Judge, we'll concede identification.

16 THE COURT: Well, do you see Mr. Tucker?

17 THE WITNESS: Yes.

18 THE COURT: Where is he?

19 THE WITNESS: He's over here.

20 THE COURT: What table, first or second?

21 THE WITNESS: The second table back.

22 THE COURT: And what is he wearing?

23 THE WITNESS: He has a black suit with a red tie.

24 THE COURT: Thank you very much. Identification  
25 noted. Thank you.

H9d1tuc2

Rogers - Direct

1 BY MR. VELAMOOD:

2 Q. Now you mentioned Mr. Tucker, your understanding, was the  
3 owner of the company. What was your understanding based on?

4 A. I was told when I first started working there that he was  
5 the owner of the company.

6 Q. Told by who?

7 A. By my manager.

8 Q. Was there anything else that gave you the understanding  
9 that he was the owner?

10 A. He had a corner office. Usually, you know -- everybody  
11 just made it seem like he was the owner of the company.

12 Q. Was there any discussion of getting his approval or  
13 consulting with him on any matters?

14 A. Yes, he was frequently carbon-copied on emails, dealing  
15 with different processes or with reports that would go out.

16 Q. At any time while you were at the company did your  
17 understanding of Mr. Tucker's role ever change?

18 A. No.

19 Q. Do you know whether Mr. Tucker had any other companies?

20 A. I do know one other company.

21 Q. Which one was that?

22 A. Called Level 5.

23 Q. What was Level 5?

24 A. It was a like race car company, where he raced Ferraris.

25 Q. How did you know about Level 5?

H9d1tuc2

Rogers - Direct

1 A. We got invited to one of his races, all of the management.

2 Q. Now how much interaction did you have with Mr. Tucker other  
3 than on email?

4 A. Very little.

5 Q. How so?

6 A. I was told that you don't go into his office, you don't  
7 speak with him normally.

8 Q. Now what names did the company do business under?

9 A. There were different loan portfolios. There was United  
10 Cash Loans, One Click Cash, 500 FastCash, Ameriloan, Ace, and  
11 Star Cash Services.

12 Q. And was there a term for all these different names?

13 A. They were different loan portfolios or profiles.

14 Q. And were all these names around when you first started at  
15 the company?

16 A. No.

17 Q. How did they change over time?

18 A. One Click Cash originally was Preferred Cash Loans and then  
19 its name was changed. And 500 FastCash was originally Fast  
20 Cash.

21 MR. VELAMOOR: We can take down 4009.

22 Q. I'm going to show you what's been marked as Government  
23 Exhibit 1901.

24 Okay. Have you had time to look at that exhibit?

25 A. Yes.

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Rogers - Direct

1 Q. What is it?

2 A. This would be an email that was circulated about the new  
3 phone system.

4 Q. Phone system where?

5 A. At AMG.

6 Q. Are you copied on this email?

7 A. Yes, I am.

8 MR. VELAMoor: Your Honor, the government offers 1901.

9 THE COURT: Any objection?

10 MR. ROTH: No, your Honor.

11 THE COURT: Received.

12 (Government's Exhibit 1901 received in evidence)

13 MR. VELAMoor: May we publish it?

14 THE COURT: You may. If a document or exhibit is  
15 received into evidence, then either side may publish it to the  
16 jury, once it is received into evidence and not before. Go  
17 ahead.

18 BY MR. VELAMoor:

19 Q. All right. So you said that this was an email about a  
20 phone system, is that right?

21 A. Yes.

22 Q. It goes on for a few pages, is that right?

23 A. Yes.

24 Q. Generally speaking, what kinds of issues are being  
25 discussed?

H9d1tuc2

Rogers - Direct

1 A. It is about a recording for the new phone system.

2 Q. Okay. And on each -- are the same people addressed and  
3 copied on each of the emails in the chain?

4 A. I'm sorry. Can you say that again?

5 Q. Are the same people copied and addressed on each of the  
6 emails in the chain?

7 A. Yes.

8 Q. So let me just focus on the top email on the front. Do you  
9 see yourself on that?

10 A. Yes, I do.

11 Q. And are you -- which, are you from, sent to, or cc'd?

12 A. I am cc'd.

13 Q. And is Mr. Tucker also cc'd on this?

14 A. Yes, he is.

15 MR. VELAMOOR: Okay. We can take that down.

16 Q. How often were you and Mr. Tucker on the same emails?

17 A. Very frequently, within kind of management emails.

18 Q. And so you said you were copied on the same emails fairly  
19 frequently. On what kinds of topics were these emails about?

20 A. Anything to do with any processes or any management type  
21 discussions. And also reports.

22 Q. Okay. And by the way, I should just clear it up. Did you  
23 have a different last name when you first stated at the  
24 company?

25 A. Yes, I did.

H9d1tuc2

Rogers - Direct

1 Q. What was that name?

2 A. It was Heath.

3 Q. Okay. Was AMG organized into different departments?

4 A. Yes.

5 Q. What were some of those departments?

6 A. We had the customer service department, the processing  
7 department, operations department, the fraud and compliance  
8 department, legal department.

9 Q. Do you recall seeing Mr. Tucker meeting with anyone at any  
10 of these departments?

11 A. I would see him meet with the fraud and compliance  
12 department.

13 Q. And how were you able to see him meeting with those people?

14 A. You see them in the conference rooms.

15 Q. Were the conference rooms through the --

16 A. Yes, they were made of -- they had glass -- the walls were  
17 glass.

18 Q. What, generally speaking, would the fraud and compliance  
19 department do?

20 A. The fraud and compliance department, they reviewed over  
21 customers' like complaints, so if we received any complaint  
22 from the customer saying something like "US Attorney" or  
23 "Attorney General" or "Better Business Bureau," those  
24 complaints would be sent to the fraud and compliance  
25 department.



H9d1tuc2

Rogers - Direct

1 Q. Okay. And so the title you mentioned before, director of  
2 operations --

3 A. Yes.

4 Q. -- what did people with that title generally do?

5 A. They would basically do all of the different processes and  
6 keep -- they would look over all the different loan portfolios.

7 Q. Were they pretty high-level managers?

8 A. Yes, yes.

9 Q. Did you ever see Mr. Tucker meeting with directors of  
10 operations?

11 A. Yes.

12 Q. And you also mentioned a legal department. Who was in this  
13 department?

14 MR. ROTH: Judge, could we have time frames. I'm  
15 sorry.

16 THE COURT: Yes. Could you set a time frame, please.

17 MR. VELAMOOR: Sure.

18 Q. How long after your time at the company did you come to  
19 learn there was a legal department?

20 A. I started hearing more about the legal department when I  
21 became a manager.

22 Q. And approximately when was that?

23 A. Are you wanting a year?

24 Q. The best that you can do, approximately.

25 A. 2005, '6.

H9d1tuc2

Rogers - Direct

1 Q. Okay. And during that time period who was in the legal  
2 department?

3 A. I knew of Tim Muir, he was like the head or the manager of  
4 legal department, and there was a couple other lawyers but I  
5 didn't know their name and never met them.

6 Q. Who did you understand to be the most senior person in that  
7 department?

8 A. Tim Muir.

9 Q. And what did you understand his role to be?

10 A. That he was the attorney for the actual company AMG.

11 Q. And is it your understanding that his role ever changed  
12 while you were at the company?

13 A. No.

14 Q. Did you ever work directly with Mr. Muir?

15 A. No, I did not.

16 Q. Now when the name of the company changed to AMG, did you  
17 ever perceive any change in Mr. Tucker's role?

18 A. No.

19 Q. Or Mr. Muir's role?

20 A. No.

21 Q. Do you remember ever being told that either of them had a  
22 different role?

23 MR. ROTH: Objection. Leading.

24 THE COURT: Again, avoid leading, please.

25 Q. Were you ever given any instructions about what to say

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Rogers - Direct

1 concerning Mr. Tucker at the company?

2 A. We were told that we could not tell the customer that he  
3 was the owner of the company.

4 Q. Now when you first started at the company, how did  
5 customers go about taking out a loan? How did the process  
6 work?

7 A. They had to go online and fill out a loan application  
8 and -- you're asking when I first started?

9 Q. Yeah, when you first started.

10 A. They had to go online and print out an application, so  
11 they'd fill out their application and fax that back with their  
12 document -- their personal documentation, such as a voided  
13 check, a bank statement, and a paycheck stub.

14 Q. Okay. So they had to send back an application. Any other  
15 documentation they had to send back?

16 A. The application.

17 Q. Anything other than the application?

18 A. Well, the application I guess consists of the actual  
19 application page with like their personal information and then  
20 any loan note disclosure and authorization agreement.

21 Q. Now I think you started by saying that the person had to  
22 print it out and send it back. Did that part ever change?

23 A. Yes.

24 Q. Approximately how long after you were at the company?

25 A. Whenever we moved to the new building, basically same time

H9d1tuc2

Rogers - Direct

1 that they changed the name to AMG, they -- the customers go  
2 online and fill out their application.

3 Q. Okay. And so they didn't have to print and send anything  
4 back.

5 A. Correct.

6 Q. Showing you what's been marked as Government Exhibit 1918.

7 What is that exhibit?

8 A. This would be screenshots of the website.

9 Q. Whose?

10 A. This is for 500 FastCash.

11 MR. VELAMOOR: Your Honor, the government offers 1918.

12 THE COURT: Any objection?

13 MR. ROTH: No, Judge.

14 THE COURT: Received.

15 (Government's Exhibit 1918 received in evidence)

16 MR. VELAMOOR: Ms. Grant, can we publish 1918, please.

17 BY MR. VELAMOOR:

18 Q. All right. So what are we looking at on the first page of  
19 1918?

20 A. This would be like the application page where the customer  
21 would put in their personal information.

22 MR. VELAMOOR: Okay. And I want to enlarge the  
23 personal information that they asked for.

24 Q. Okay. So generally speaking, basic biographical  
25 information?

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Rogers - Direct

1 A. Yes.

2 MR. VELAMoor: Why don't we back out of that. And  
3 move to the second page.

4 Q. So what kinds of information is called for on the second  
5 page?

6 A. This is employment information.

7 Q. Okay. To find out the type of income, is that right?

8 A. Yes.

9 Q. Name of the employer, income, and how the person received  
10 that income?

11 A. Yes.

12 Q. And looking to the third page, what kinds of information is  
13 asked for on the third page?

14 A. It's their banking information and their routing and  
15 account number.

16 Q. And why did the company need that banking information?

17 A. This is how the money was deposited into their account by  
18 direct deposit and then also withdrawn from the account as  
19 well.

20 Q. All right. Let's move on to the next page.

21 What kinds of information is called for here?

22 A. This is for personal references.

23 Q. Okay. And is there any other information that they have to  
24 provide?

25 A. No, not any of their personal information, no.

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Rogers - Direct

1 Q. Turn to the next page. So at this point I want to focus on  
2 the top. So it says "Congratulations," and then what's written  
3 below that?

4 A. Under "Congratulations"? It says, "500 FastCash has  
5 preapproved you for up to \$400."

6 Q. Okay. And then down below is the customer given an option  
7 or a choice about what to do?

8 A. Yes.

9 Q. What is that?

10 A. That is if they don't want to take \$400, they want to take  
11 a lower amount, they can select a lower amount.

12 Q. And then focus on the next section. What's the purpose of  
13 this section?

14 A. That would be like the loan note disclosures, so they would  
15 checkmark the boxes if they agree to the terms of the loan.

16 Q. Okay. And do they have to actually read any of these  
17 documents in order to move the process forward?

18 A. No, not that I was aware of. They have to checkmark the  
19 boxes.

20 Q. Now there's a reference there to, on the third line down,  
21 to a read and accept the terms of the authorization agreement,  
22 do you see that?

23 A. Yes.

24 Q. What is being authorized in that agreement?

25 A. From what I understood, it was where they were authorizing

H9d1tuc2

Rogers - Direct

1 the company to debit and also credit their account.

2 Q. And below that there's a reference I think to a document  
3 you talked about before, the loan note and disclosures?

4 A. Yes.

5 Q. And what was that document about?

6 A. That document stated what their loan amount was, what the  
7 finance charge, service charge would be for the loan.

8 Q. We'll talk more about that in a second.

9 And then move below and there's a blank line. So  
10 what's the purpose of this part of the page?

11 A. That is where they do their electronic signature. So they  
12 would just type in their name.

13 Q. And then what else do they have to do?

14 A. I'm sorry?

15 Q. Do they have to do anything else?

16 A. Not that I'm aware of, no.

17 Q. So from inside of the company, after this process, after  
18 the customer has provided all the information, what happens  
19 next at the company?

20 A. The company would receive the customer's application, it  
21 would go to a loan officer, where the loan officer would review  
22 over all the customer's information, verify employment,  
23 possibly, if they needed to; and then they would approve the  
24 loan to be sent out that night. It would go to kind of a group  
25 of loans called the batch. That would sit there until it was

H9d1tuc2

Rogers - Direct

1 processed at the end of the day.

2 Q. Okay. So I think you may have started to explain this, but  
3 a batch was a group of loans?

4 A. Yes. The group of people that had been approved that day.

5 Q. And how big were the batches?

6 A. For like example, UCL was one of the bigger companies --

7 MR. ROTH: Judge, could we have a time frame, please.

8 THE COURT: Again, if you could.

9 MR. VELAMOOR: Sure.

10 Q. Perhaps around the -- at its highest point, around 2010,  
11 '11, during that time period.

12 MR. ROTH: Objection, Judge, to leading.

13 THE COURT: No. I think that's appropriate leading.  
14 Not all leading is impermissible. The government is allowed to  
15 ask about a particular time frame.

16 Go ahead.

17 Q. Let's focus on the 2011 time frame. Approximately how big  
18 were the batches around that time period?

19 A. Around then, like UCL could be sending out a million  
20 dollars in loans.

21 Q. And what was the average amount of a loan the company was  
22 sending out?

23 A. An average would be about \$300.

24 Q. So just doing rough math, how many \$300 loans does it take  
25 to get to about a million dollars?



H9d1tuc2

Rogers - Direct

1 A. About around 3,300 loans a day.

2 Q. And how many batches were there at a time?

3 A. There was one batch for every single one of the loan  
4 portfolios.

5 Q. And I think you mentioned them before, the names of them.  
6 Approximately how many of those were there?

7 A. Six, seven loan portfolios.

8 Q. And I believe you mentioned UCL. Were all the portfolios  
9 similar in size or did they vary?

10 A. No, they varied.

11 Q. Now once loans were in a batch, who would typically check  
12 in on them?

13 A. Anybody in like management could check in on them as well  
14 as operations, fraud and compliance, they could all go over --  
15 review over the batch throughout the day.

16 Q. And after they'd been looking it over, what would happen at  
17 the end of the day?

18 A. At the end of the day, the processors, whoever's processing  
19 for that loan portfolio, would process it and basically create  
20 an electronic file which contained all of the customers that  
21 were going to be funded that night, and that would be sent over  
22 to the operations department.

23 Q. And once it got to operations, what would happen there?

24 A. As far as what I know, operations would then complete the  
25 whole process and send that file to the bank to distribute

H9d1tuc2

Rogers - Direct

1 money to the customer.

2 Q. And was there one or more than one employee involved in the  
3 process that you just described?

4 A. There was more, I guess, than one employee, yeah.

5 Q. And where were all these employees located when they were  
6 performing these functions?

7 A. They were all at the AMG building in Overland Park.

8 Q. Do you know whether anyone outside of the building at  
9 Overland Park ever played any role in the process?

10 A. Not that I was aware of.

11 Q. Did you ever hear of anyone outside of Overland Park being  
12 involved in any part of that process?

13 A. Not that I was aware of.

14 Q. So what happens at the end of the process? Can you  
15 describe.

16 A. It would go to the operations department and they would  
17 finalize it to go to the bank so the bank could then send the  
18 funds out to the customer.

19 Q. Okay. Let's talk a little bit about the cost of the loan.  
20 How much did AMG charge for its loans?

21 A. It was \$30 per hundred dollars that was borrowed.

22 Q. So did that mean that a \$300 loan cost the customer 390?

23 A. No, not necessarily, no.

24 Q. Why not?

25 A. Because the loans were set up as an automatic renewal

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Rogers - Direct

1 process, where they would pull just the finance charge from the  
2 account, and they would accrue another finance charge for  
3 having that loan out longer.

4 Q. And when you say it was automatically renewed, what do you  
5 mean by automatic?

6 A. That's the way that the loan was just set up originally.  
7 That was what their schedule was, I guess I'd say.

8 THE COURT: All right. Ladies and gentlemen, I think  
9 it's time for our midmorning break. So please do not discuss  
10 the case among yourselves or with anyone, keep an open mind,  
11 and we'll see you in ten minutes. Have a good break.

12 (Jury not present)

13 THE COURT: See you in ten minutes.

14 (Recess)

15 (In open court; jury present)

16 THE COURT: Please be seated.

17 Hope you had a good break.

18 To promote the element of surprise, you will not know  
19 when there will be or won't be a treat in the jury room, but  
20 this will keep your attention level very high. And please  
21 don't hold it against my valuable courtroom deputy Flo. These  
22 decisions are made at the very highest level. But I appreciate  
23 your attention in the case.

24 So you may continue.

25 MR. VELAMOOR: Thank you, your Honor.

H9d1tuc2

Rogers - Direct

1 BY MR. VELAMoor:

2 Q. Ms. Rogers, when we broke, I believe we were talking about  
3 the automatic renewal process that was in place in the loans,  
4 is that --

5 A. Yes.

6 Q. So I'm going to show you what's been marked as Government  
7 Exhibit 1911.

8 A. Thank you.

9 Q. What is that exhibit?

10 A. This is the automatic renewal process that is in the  
11 training manual.

12 Q. And when you say the training manual, what do you mean?

13 A. It's the training manual that you -- that trains new hires.  
14 So whenever a new hire comes in, this would be what they would  
15 be trained on, the renewal process.

16 MR. VELAMoor: Your Honor, the government offers 1911.

17 THE COURT: Any objection?

18 MR. ROTH: No.

19 THE COURT: All right. Received.

20 (Government's Exhibit 1911 received in evidence)

21 MR. VELAMoor: Ms. Grant, can we show that to the  
22 jury.

23 BY MR. VELAMoor:

24 Q. Okay. So let's start focusing on the chart towards the  
25 middle.

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Rogers - Direct

1 A. Mm-hmm.

2 Q. Now does this chart accurately reflect the repayment  
3 process for the loans at the company?

4 A. Yes.

5 Q. And I think we may have cut it off, but what is the amount  
6 of the loan that's described here?

7 A. This is for a \$300 loan.

8 Q. Okay. So can you walk us through how that \$300 loan was  
9 set to work.

10 A. On the first due date, it would be just the finance charge  
11 or the service charge that would be directed out of the  
12 customer's account.

13 Q. Just to be clear, so you're on line 1.

14 A. Line 1, yes.

15 Q. Okay.

16 A. And then -- then on line 2 --

17 Q. Well, let's -- so there's 0 below the principal payment.  
18 What does that mean?

19 A. Just -- the \$90 is just a fee. It's not to go towards the  
20 principal of the loan.

21 Q. So how much does that person pay on that first date?

22 A. \$90.

23 Q. Okay. So now go on to the second.

24 A. On the second one, same as the first. It is just the \$90  
25 service charge, no principal payment, for the total of \$90.

H9d1tuc2

Rogers - Direct

1 Q. Okay. Go on to the third line.

2 A. The third is the same as well. \$90 service fee, nothing  
3 towards the principal payment, and just \$90.

4 Q. And onto the fourth?

5 A. The fourth is as well the same. \$90 service fee, nothing  
6 towards the principal, and \$90 would be directed from the  
7 customer's account.

8 Q. So at this point we've hit four paydays, is that right?

9 A. Yes.

10 Q. And the customer has paid how much?

11 A. They have paid \$360 in finance charges.

12 Q. How much do they owe at this point on the \$300 loan?

13 A. Still \$390.

14 Q. So what takes place on the fifth date?

15 A. On the fifth date, the loan goes into automatic paydown,  
16 where the service charge is drafted plus a principal payment of  
17 \$50.

18 Q. So how much is the service charge?

19 A. The service charge is 90, and the principal payment is \$50,  
20 for the total of \$140.

21 Q. Okay. And at this point how much does the customer owe on  
22 the \$300 loan?

23 A. At this point, after this payment, they would owe 250 in  
24 principal and \$75 in service fees, so \$325.

25 Q. And why is the service charge now less, now 75 instead of

H9d1tuc2

Rogers - Direct

1 90?

2 A. There's been a \$50 principal payment that was applied to  
3 the amount that was borrowed, so it also lowers the finance  
4 charge on the next due date.

5 Q. Okay. So it's 90 for the first hundred -- sorry -- 30 for  
6 the first hundred, 30 for the second hundred, and then just 15  
7 for the next 50?

8 A. Correct.

9 Q. And does that process then continue?

10 A. Yes, the automatic paydown continues.

11 Q. And by the time the customer has finished making payments  
12 in the process, how much has the customer paid on the \$300  
13 loan?

14 A. On this \$300 loan, the customer would have paid \$975.

15 Q. Now if it had been a \$400 loan, how would the processes  
16 have been different?

17 A. The actual process wouldn't have been different, just the  
18 service fee would have been a different amount. Since it's a  
19 higher loan amount, it has a higher finance charge or service  
20 charge, and that service charge would have been 120 instead of  
21 90.

22 Q. So initially it would have been four -- the first four pay  
23 dates it would have been a payment of 120 each time?

24 A. Yes.

25 Q. And I believe on this, the \$300 loan example, there are six

H9d1tuc2

Rogers - Direct

1 paydown periods, is that right?

2 A. Yes.

3 Q. How many paydown periods would there be in a \$400 loan?

4 A. There would be eight.

5 Q. And why is that?

6 A. Because it's \$100 more than the \$300 loan, so a \$50 payment  
7 twice, so that would be two extra payments.

8 Q. So it was a \$50 paydown regardless of the size of the loan.

9 A. Yes.

10 Q. Now from your time with the company are you aware of  
11 customers who went through this entire payment schedule?

12 A. Yes.

13 Q. Was that a common or uncommon occurrence?

14 A. It was common.

15 Q. How did you know that?

16 A. I was a manager so I looked at customers -- customer  
17 profiles all the time and saw all their debits that were coming  
18 out of their account.

19 Q. Did you also have access to summary type reports?

20 A. Yes.

21 Q. And, you know, it's been a while. Roughly speaking, what  
22 percentage of customers do you think went all the way through  
23 this paydown process?

24 MR. ROTH: Objection, your Honor.

25 THE COURT: Rephrase it, please.



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Rogers - Direct

1 Q. From your time with the company approximately what  
2 percentage of customers went through the entire paydown process  
3 that's described here in this exhibit, 1911?

4 A. I would say around 60 percent.

5 (Continued on next page)

H9D8TUC3

Rogers - Direct

1 BY MR. VELAMoor:

2 Q. Now, this process in 1911 I believe involves a pay down  
3 process beginning on the fifth payment, is that right?

4 A. Yes.

5 Q. Is that automatically in place?

6 A. Yes.

7 Q. Was it always the case that it was an automatic pay down in  
8 place beginning on the fifth period?

9 A. No. Whenever I originally started with the company, they  
10 didn't have any kind of automatic pay down and the loan would  
11 just keep renewing.

12 Q. For how long?

13 A. Forever, until the customer finally, I guess, called in and  
14 said, why are you still debiting my account?

15 Q. How long do you recall this indefinite automatic renewal  
16 process going on for?

17 A. It was probably about a year from the time that I started.

18 MR. VELAMoor: We can take down 1911 for the moment.

19 Q. How much did the company tell customers the loans would  
20 cost before the customers got the loans?

21 A. If the customer reviewed over their loan note disclosure,  
22 on the loan disclosure it showed that their total payments  
23 would be their principal plus one finance charge.

24 Q. So on a \$300 loan?

25 A. It would be \$390.

H9D8TUC3

Rogers - Direct

1 Q. I am going to show you what has been marked as Government  
2 Exhibit 2202.

3 OK. So what is 2202?

4 A. This would be a customer's application for 500 FastCash.

5 Q. Is this the application for any particular customer?

6 A. The customer's name is Athena Sanchez.

7 Q. Does it say where Athena Sanchez lives?

8 A. The Bronx, New York.

9 MR. VELAMOOR: The government offers Government 2202.

10 THE COURT: Any objection?

11 MR. ROTH: No, your Honor.

12 THE COURT: Received.

13 (Government's Exhibit 2202 received in evidence)

14 MR. VELAMOOR: Ms. Grant, can we show 2202 to the  
15 jury.

16 Why don't we start by expanding the name and the  
17 address of the applicant.

18 Q. Is that where you got the person's name and address?

19 A. Yes.

20 Q. Now, you mentioned before a loan note disclosure where the  
21 total of payments was mentioned. Which page of the exhibit is  
22 that?

23 A. That would be on page 3.

24 MR. VELAMOOR: Why don't we turn to page 3.

25 Q. On page 3, what part of page 3 were you speaking about?

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Rogers - Direct

1 A. Up at the top, there's the four boxes, and the very right  
2 box, it says "total of payments."

3 Q. What amount is in that "total of payments" box?

4 A. \$390.

5 Q. Does 390 accurately reflect what customers paid in total if  
6 they took no other action on a \$300 loan?

7 A. No.

8 Q. Below total of payments there is a sentence written there.  
9 Can you read that?

10 A. It says, "The amount you will have paid after you have made  
11 the scheduled payment."

12 Q. Was \$390 the scheduled payment on a \$300 loan?

13 A. No, it was not.

14 Q. Did the scheduled payment or payments add up to \$390?

15 A. No, they did not.

16 Q. What did the scheduled payment or payments add up to?

17 A. For a \$300 loan in this case, it would have been \$975.

18 Q. So what payment or payments were actually scheduled when a  
19 person got a \$300 loan?

20 A. The automatic renewal process is what would have been  
21 scheduled for the customer.

22 Q. That's the schedule that we talked about in 1911?

23 A. Yes.

24 Q. Now, the finance charge box, do you see that?

25 A. Yes.

H9D8TUC3

Rogers - Direct

1 Q. What is the amount listed in the finance charge box?

2 A. \$90.

3 Q. Does that accurately reflect what customers paid in  
4 interest or finance charges on a \$300 loan?

5 A. No.

6 Q. What is the accurate number?

7 A. For the \$300 loan, in finance charges the customer would  
8 have paid \$675.

9 Q. Is that the difference, essentially, between 975 and \$300?

10 A. Yes.

11 Q. Let's take a look at the annual percentage rate box. What  
12 is listed there?

13 A. 576.32 percent.

14 Q. From your time at the company, what was the rough range of  
15 percentage rates that you saw on loan documents?

16 A. The interest rates were always above 100; they were always  
17 in the 100s, even up to the thousands.

18 Q. Now, could a customer pay back the loan in a different  
19 manner if he or she wanted?

20 A. Yes, they could.

21 Q. How would the customer have to do that?

22 A. They would either have to log on to the Web site and  
23 schedule a different payment, like a payout or a pay in full to  
24 do a pay down.

25 Q. Is what you just said explained anywhere in the loan

H9D8TUC3

Rogers - Direct

1 contract?

2 A. If they would log in, I guess, through the account summary.  
3 It's not explained clearly, but that's what they would need to  
4 do.

5 Q. OK. Let's go back to 1911 for a second.

6 So, again, this is from the training manual, is that  
7 right?

8 A. Yes.

9 Q. Again, who was trained using this document and the rest of  
10 the manual?

11 A. All AMG employees.

12 Q. So is the payment schedule process explained in this  
13 document as well?

14 A. Yes, it is.

15 Q. Where?

16 A. It states on there that the customer's due date -- there  
17 would always be three ways to pay back the loan: Renewal, pay  
18 down, and pay in full.

19 Q. The first paragraph, let me highlight that.

20 There is a sentence there, beginning in the second  
21 line, it says, "On the customer due date there are three ways  
22 they may pay back their loan: Renewal, pay down or payment in  
23 full." Do you see that?

24 A. Yes.

25 Q. Why don't we go to the second paragraph.

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Rogers - Direct

1           It says, "If a customer is unable to pay the loan and  
2           the service charge back on the first assigned due date, the  
3           account will automatically renew."

4           Do you see that?

5           A. Yes.

6           Q. Let's go to the third paragraph.

7           "To renew an account, means the customer will only pay  
8           the service charge and the principal balance will remain  
9           untouched for the first four pay dates."

10          Do you see that?

11          A. Yes.

12          Q. How many sentences did I read?

13          A. Three.

14          Q. Do those three sentences explain the renewal process?

15          A. Yes, they do.

16          Q. Why don't we go back to 2202, back to the third page where  
17          we were before.

18          Is there a part of this document that also refers to  
19          the payment schedule?

20          A. You have the -- it says "your payment schedule," the box  
21          under the four boxes.

22          Q. Can you read what it says in that box?

23          A. It says, "Your payment schedule will be one payment of \$390  
24          due on 2010/7/21 if you decline -- and then it has an  
25          asterisk -- the option of renewing your loan. If your pay date

H9D8TUC3

Rogers - Direct

1 falls on the weekend or a holiday and you have direct deposit,  
2 the account will be debited on a business day prior to your  
3 normal pay date. If renewal is accepted, you will pay the  
4 finance charge of \$90 only on 2010/7/21. You will accrue a new  
5 finance charge with every renewal of your loan. On the due  
6 date resulting from the fourth renewal, and every renewal due  
7 date thereafter, your loan must be paid down by \$50. This  
8 means your account will be debited the finance charge plus \$50  
9 on that due date. This will continue until your loan is paid  
10 in full."

11 Then this is where the asterisk is. "To decline the  
12 option of renewal, you must select your payment options using  
13 the account summary link sent to your e-mail at least three  
14 business days before your loan is due.

15 Then it says, "Security: This loan is unsecured.

16 "Prepayment: You may prepay your loan only in  
17 increments of \$50. If you prepay your loan in advance, you  
18 will not receive a refund of any finance charge. The annual  
19 percentage rate is estimated based on the anticipated date that  
20 proceeds will be deposited to or paid on your account, which is  
21 7/2/2010."

22 Q. We could stop at that point.

23 Back on 1911, the third paragraph, there is a  
24 reference to "the principal balance will remain untouched." Do  
25 you see that?



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Rogers - Direct

1 A. Yes.

2 Q. Does the word "principal" appear anywhere in the payment  
3 schedule language that you just read from the loan contract?

4 A. No, it does not.

5 Q. That's, to be clear, 2202?

6 A. Yes.

7 Q. Why don't we go back to 2202, please.

8 MR. VELAMOOD: Just highlight the first line of "your  
9 payment schedule."

10 Q. It says, there is a language there, "if you decline,  
11 asterisk, the option of renewing your loan." Do you see that?

12 A. Yes.

13 Q. Before the customer signed up for the loan, was he or she  
14 presented with options to either have an automatic renewal or  
15 not?

16 A. No.

17 Q. Was there a point in which the company described payment  
18 options to the customer?

19 A. Not before their loan. After they were approved for the  
20 loan, they got a congratulations letter, which kind of  
21 explained the payment options.

22 MR. VELAMOOD: I will mark this 2201.

23 Q. Did you have a chance to look at 2201?

24 A. Yes.

25 Q. What is it?

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Rogers - Direct

1 A. This is a congratulations letter that the customer would  
2 have received after the loan was approved.

3 MR. VELAMoor: Your Honor, the government offers 2201.

4 THE COURT: Any objection?

5 MR. ROTH: No, your Honor. I think it's the same  
6 document we introduced as -- I'm sorry. I apologize. No  
7 objection.

8 THE COURT: Any objection, Mr. Bath?

9 MR. BATH: No, sir.

10 THE COURT: It's received.

11 (Government's Exhibit 2201 received in evidence)

12 MR. VELAMoor: Ms. Grant, can you show this to the  
13 jury?

14 BY MR. VELAMoor:

15 Q. Does this also relate to Athena Sanchez's loan?

16 A. Yes.

17 Q. Where is the language on this that relates to the renewal  
18 process?

19 A. It's at the bottom of page 1.

20 Q. Does it carry over onto the next page?

21 A. Yes, it does.

22 Q. Why don't we go back to the previous page.

23 Do you want to read out what it says under "renewal"?

24 A. "Your loan is always due on your pay days. By receiving a  
25 loan through 500 FastCash, you agree that your loan will be

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Rogers - Direct

1 renewed unless you request to pay down an additional amount  
2 against your principal or pay out the balance in full.

3 Renewing your loan means that you will pay the renewal fee only  
4 on the due date. Every time your loan is renewed, you will  
5 accrue a new renewal fee. You can renew your loan four times.  
6 On the fifth renewal, you must pay the renewal fee plus pay  
7 down your balance by \$50. This is called an automatic pay  
8 down. (Example: For a \$300 loan the fee is \$90. On the fifth  
9 renewal, you will pay \$140, which equals the \$90 renewal fee  
10 plus the \$50 pay down. If you renew your loan again on the  
11 next due date, your principal balance will be \$250 and your new  
12 renewal fee will be \$75. When the automatic pay down process  
13 is in effect this will decrease the principal loan amount and  
14 your renewal fee.) After your fifth renewal, your loan must be  
15 paid down every due date until it is paid in full."

16 Q. Now, do you find this language to be clearer than the  
17 language in the loan contract?

18 A. Yes.

19 Q. Do you find it to be as clear as the language in the  
20 training manual?

21 A. No.

22 Q. Just on the renewal paragraph, on the second page, there is  
23 a reference to an automatic pay down. Do you see that?

24 A. Yes.

25 Q. On the previous page, do you ever see any reference to an

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Rogers - Direct

1 automatic renewal?

2 A. No.

3 Q. So the word automatic appears by pay down but not by  
4 renewal?

5 A. Correct.

6 Q. Was the language in the training manual ever, to your  
7 knowledge, included in the contract?

8 A. No, it was not included in the contract.

9 Q. Was the somewhat clearer language in the congratulations  
10 e-mail, to your knowledge, ever included in the contract?

11 A. No.

12 Q. Or presented in any way to the customer before the customer  
13 got the loan?

14 A. No.

15 Q. Did you ever recommend that the chart on the training  
16 manual 1911 ever be included in the loan contract or presented  
17 to the customer some other way before the customer got the  
18 loan?

19 A. I vaguely remember suggesting that.

20 Q. Did it ever happen?

21 A. No, it did not.

22 Q. I think there are some terms that have come up, but let's  
23 make sure they are clear.

24 Are you familiar with the terms "pay out" or "pay in  
25 full"?

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Rogers - Direct

1 A. Yes.

2 Q. What do those terms mean?

3 A. That would be when the customer would pay in full the loan  
4 or they would pay off the loan by paying the full balance, so  
5 the amount that is left in principal and a service fee.

6 Q. Does payout mean something different or slightly different  
7 than pay in full?

8 A. No, they are the same thing.

9 Q. Pay out is the same as pay in full?

10 A. Yes.

11 Q. From your time in the lending business, did you receive or  
12 were you instructed about any goals for management regarding  
13 whether pay outs should be increased or decreased?

14 A. Yes. It was discussed multiple times that they'd rather  
15 have the customer pay down the loan instead of paying in full  
16 the loan, so as trying to decrease pay in fulls.

17 Q. So they wanted more pay downs, is that what you said?

18 A. Yes. More people just to renew the loan.

19 Q. What would be the difference from a pay down to a pay in  
20 full?

21 A. A pay down is just where they pay part of the principal,  
22 and not paying the full amount of principal. So then on their  
23 next due date, they would receive another finance charge.

24 Q. In which case would they receive another finance charge?

25 A. If they paid down the loan.

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Rogers - Direct

1 Q. As opposed to?

2 A. Paying in full.

3 Q. Was it explained to you or did you have an understanding as  
4 to why it was the company's goal to discourage pay outs or pay  
5 in fulls?

6 A. If the customer doesn't pay their loan off in full, then  
7 they could accrue more finance charges, the company could.

8 Q. I am going to show you two exhibits, one marked 1917 and  
9 one marked 1902.

10 You can take the exhibits out and take a look at them.

11 Have you had a chance to look at 1917 and 1902?

12 A. Yes, sir.

13 Q. What are they?

14 A. This is an e-mail communication over the account summary  
15 document.

16 Q. Do both e-mails relate to that issue?

17 A. Yes, they do.

18 Q. Are you copied on these e-mails?

19 A. Yes, I am.

20 MR. VELAMOOR: The government offers 1917 and 1902.

21 THE COURT: Any objection?

22 MR. ROTH: No, your Honor.

23 THE COURT: Received.

24 (Government's Exhibits 1917 and 1902 received in  
25 evidence)

H9D8TUC3

Rogers - Direct

1 MR. VELAMMOOR: Let's start with 1917 and show that to  
2 the jury.

3 Q. In a general sense, this first e-mail, this is an e-mail  
4 from Crystal Cram, right?

5 A. Yes.

6 Q. Who is she sending it to you?

7 A. She is sending it to all of the managers, as well as cc'ing  
8 Scott and Blaine Tucker.

9 Q. This e-mail is about what?

10 A. This is about the account summary, which is a pay off  
11 document so the customer can pay off the loan.

12 Q. So this is from 2005, right?

13 A. Yes, it is.

14 Q. Why don't we turn to the next page.

15 You said this is the account summary document.

16 Generally speaking, what was this document all about?

17 A. It was, the customer would sign it at the bottom, and that  
18 meant that they would agree to pay off their loan in full, is  
19 what the original document was for.

20 Q. So if the customer wanted to pay the loan in full, this is  
21 the document they needed?

22 A. Yes.

23 Q. What would the customer have to do with this?

24 A. They would sign it and then they would fax it back to the  
25 company.

H9D8TUC3

Rogers - Direct

1 MR. VELAMOOR: So why don't we zoom in on the bottom  
2 section of the document.

3 Q. So what is Ms. Cram proposing with respect to this account  
4 summary document?

5 A. In this proposal, it was to add the line that says,  
6 "Initial here to pay down the principal balance of your loan by  
7 \$50 plus pay the renewal charge."

8 Q. So previously there was no option to initial for a pay  
9 down?

10 A. Correct.

11 Q. So signing this document and sending it back would have  
12 what results?

13 A. That would result in the customer paying off their loan in  
14 full and having the full amount debited from their account.

15 Q. So she circulates this around for comments?

16 A. Yes.

17 Q. Why don't we turn to 1902.

18 Let's start with the bottom e-mail. Is that  
19 essentially the same e-mail without the attachment that we just  
20 looked at?

21 A. Yes.

22 Q. Why don't we just go to the top, which is your ultimate  
23 response. Do you see that?

24 A. Yes.

25 Q. What is your response there?



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Rogers - Direct

1 A. My response is that, "I like it as well. Also, this may  
2 decrease the PIF and people will pay down instead."

3 Q. When you say "this may decrease the PIF," exactly what is  
4 being decreased?

5 A. Decrease the amount of customers that pay in full, and  
6 instead of paying in full, they would do a pay down.

7 Q. Between people who pay in full and people who pay down, who  
8 pays more finance charges?

9 A. Somebody who just pays down.

10 Q. So would this be increasing the number of people that paid  
11 more finance charges?

12 A. Yes.

13 Q. You're suggesting that you like it. What is the reason  
14 why?

15 A. Because the goal was to decrease the pay offs, and if you  
16 could get a customer to pay down the loan instead of paying it  
17 in full, then the company could debit more service fees from a  
18 customer's account, and that's what the goal was.

19 Q. And on this e-mail, you're listed as Kelly Heath, your  
20 former name?

21 A. Yes.

22 Q. Was your e-mail also sent to Scott Tucker?

23 A. Scott Tucker and Blaine Tucker both cc'd on this well as.

24 Q. Did you ever receive a correction or a response from Mr.  
25 Tucker to your e-mail?

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Rogers - Direct

1 A. No, not to my knowledge.

2 Q. Why don't we turn to a different topic.

3 You may have mentioned these names before. What names  
4 appeared on the company's Web sites?

5 A. The different Web sites were One Click Cash, United Cash  
6 Loans, US FastCash, 500 FastCash, Ameriloan, Ace Cash Services  
7 and Star Cash Services.

8 Q. Were those the names you previously referred to as either  
9 the portfolio or profile names?

10 A. Yes.

11 Q. Did the Web sites for any of these companies ever mention  
12 the names of the companies you were actually working at, like  
13 CLK or AMG?

14 A. No.

15 Q. Did employees ever identify themselves to customers as CLK  
16 or AMG employees?

17 A. No.

18 Q. How did they identify themselves?

19 A. They identified themselves as whichever loan company they  
20 were working in.

21 Q. Why was that?

22 A. You couldn't say that you were affiliated with any of the  
23 rest of the loan companies. So if you were working in United  
24 Cash Loans, then you would answer the phone United Cash Loans.

25 Q. You started by saying "you couldn't say." What do you mean

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Rogers - Direct

1 by you couldn't say?

2 A. You couldn't tell a customer that One Click Cash and United  
3 Cash Loans, for example, were affiliated or sister companies.

4 Q. Was there a policy in place about that?

5 A. Yes.

6 Q. Where did that policy come from?

7 A. That policy would have come from management, upper  
8 management.

9 Q. I think you started to say, but if the customer called  
10 asking for one Web site like 500 FastCash, could the same  
11 customer service rep offer them a loan for One Click Cash?

12 A. No.

13 Q. Do you know why this policy was in place?

14 A. We were told that the companies -- that we couldn't tell  
15 the customer that the companies were located in the same  
16 building or that they were affiliated.

17 Q. Do you know why, what the reason was for that policy?

18 A. It would be so they could offer a loan to the same customer  
19 in different loan portfolios.

20 Q. Did you have customer service reps who from time to time  
21 worked for different portfolios?

22 A. Yes.

23 Q. Did they at any times find it hard to keep straight which  
24 one they were working for on any given day?

25 A. Yes.

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Rogers - Direct

1 Q. What, if anything, did the company do to address this  
2 issue?

3 A. There was a policy put into play that if you stated the  
4 wrong company name, whenever you answer the phone for example,  
5 then you would have a disciplinary action up to termination.

6 Q. How did the employees for the different loan portfolios  
7 spread out in the office?

8 A. We were all on one big floor, just separated by -- we were  
9 grouped together, but not separated by walls or anything like  
10 that, so it was just cubicles. So you had a partition in some  
11 cases that just separated one company to the next.

12 Q. Let me ask you about a couple of other names.

13 In your time with the lending company, do you remember  
14 ever hearing the name County Bank?

15 A. I recall it, but I don't know what it was.

16 Q. In your time with the company, did you ever hear anything  
17 about Indian or Native American tribes being involved?

18 A. Yes, I heard that.

19 Q. Approximately when?

20 A. I would have heard more about the tribes whenever I became  
21 a manager.

22 Q. What, if anything, were you instructed on that issue?

23 A. That we were affiliated with them in some kind of way.

24 Q. Now, did you ever interact with any officials from any  
25 Native American tribes?

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Rogers - Direct

1 A. Officials, no.

2 Q. Any other people associated with Native American tribes?

3 A. They did have a couple of employees that were located in  
4 Niobrara, Nebraska, and Miami, Oklahoma.

5 Q. What was the significance of those two locations, Niobrara  
6 and Miami?

7 A. From what I knew, that's where the Indian tribes were  
8 located.

9 Q. Approximately how many employees were there?

10 A. As far as what I know, it was just the two ladies that did  
11 outbound phone calls.

12 Q. When you say "outbound phone calls," what do you mean?

13 A. We had a group called the teleloan group, and they made  
14 outbound phone calls to customers who -- let's say they were on  
15 the Web site and they didn't complete the application and they  
16 would maybe close the browser, those would go into a phone  
17 queue so a customer service rep could call them and maybe walk  
18 them through the loan application, maybe they got confused or  
19 something like that. So it was just a courtesy call basically.

20 Q. When you were a manager, were you familiar with the hours  
21 and the amount of time these employees were working?

22 A. Yes. They did minimal work. A lot of times they left  
23 early for the day, and the agents that were at AMG in Kansas  
24 would have to take over their calls.

25 Q. When you say take over their calls, what do you mean?

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Rogers - Direct

1 A. Move it from one -- we had different phone queues. So they  
2 had their own phone queue. So we would take the calls from  
3 that queue and move them over to a queue at AMG.

4 Q. Now, you mentioned that teleloan was, essentially, if  
5 people fell off the Web site when they tried to get a loan,  
6 they would then get a phone call from a teleloan person?

7 A. Yes.

8 Q. Approximately what percentage of loans generally involved  
9 an outbound call from the teleloan group?

10 A. I would say probably 40 to 50 percent.

11 Q. How many full-time teleloan people were working in Overland  
12 Park?

13 A. With the ones that I was involved in, about 50.

14 Q. Roughly, what percentage of teleloan calls do you think  
15 were handled by these employees who were located in Miami or  
16 Niobrara?

17 A. Probably less than five percent.

18 Q. To your knowledge, were the Miami and Niobrara employees  
19 involved in any other part of the customer service or lending  
20 process?

21 A. Not that I was aware of, no.

22 Q. When, as you put it, the tribe became involved in the  
23 business, became affiliated with the business, did anyone at  
24 Overland Park change their business location or their office  
25 location?

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Rogers - Direct

1 A. No. We all stayed where we were.

2 Q. From time to time, did customers on the phone with customer  
3 service representatives ever ask where the representatives were  
4 located?

5 A. Yes. Sometimes just in casual chitchat or conversation on  
6 the phone, the customer would ask where we were located.

7 Q. What were customer service representatives instructed to  
8 say to customers in terms of where they were located?

9 A. Depending on what company they were taking the call --

10 MR. ROTH: Can we just get a response as to who  
11 instructed her to say what?

12 THE COURT: Why don't you put it in context.

13 MR. VELAMOOR: Sure.

14 Q. Approximately what time during your time at the company did  
15 this issue of employee location come up?

16 A. I'm not real sure as to what time frame.

17 Q. Was it an issue, for example, that came up when the company  
18 went by the name AMG?

19 A. Yes.

20 Q. You mentioned that you received instructions. Where did,  
21 to your knowledge, the instructions come from regarding what  
22 representatives could say about where they were located?

23 A. All the instruction that I took would have come from my  
24 direct manager.

25 Q. Who was that?

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Rogers - Direct

1 A. That would have been Crystal Cram.

2 Q. Now, based on her instructions, what were customer service  
3 representatives instructed to say about where they were  
4 located?

5 A. Depending on what loan portfolio they were taking inbound  
6 calls for or calling out for depended on where they said they  
7 were located. So United Cash Loans, US FastCash and 500  
8 FastCash was in Miami, Oklahoma, and One Click Cash was in  
9 Niobrara, Nebraska.

10 Q. When you say UCL, 500 and FashCash were in Miami, what do  
11 you mean?

12 A. That's where you would tell the customer you were located  
13 at, were in those cities and states.

14 Q. What about Ameriloan, what was the travel location for  
15 Ameriloan?

16 A. I'm not real sure which one it was.

17 Q. I will show you what has been marked as 1903.

18 Have you had a chance to look at 1903?

19 A. Yes.

20 Q. What it is?

21 A. These would be team meeting minutes, is what they were  
22 called. So it's notes, basically, of the team meeting that I  
23 would have had with my team of customer service reps.

24 Q. What is the date?

25 A. The date is December 4th of 2009.



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Rogers - Direct

1 MR. VELAMOOR: The government offers 1903.

2 THE COURT: Any objection?

3 MR. ROTH: No, your Honor.

4 THE COURT: All right. Received.

5 (Government's Exhibit 1903 received in evidence)

6 MR. VELAMOOR: Ms. Grant, can you show 1903.

7 Why don't we start by highlighting just the top.

8 Q. So this meeting was called by you when you were known as  
9 Kelly Heath?

10 A. Yes.

11 Q. What is the significance of the date and time?

12 A. I'm sorry?

13 Q. What is the significance of the date and time? Was that  
14 when the meeting was or when you made the notes?

15 A. That is when the meeting was.

16 Q. Who attended this meeting?

17 A. This would have been a meeting with all of the teleloan  
18 employees. It's not pictured on the picture. And then me, of  
19 course. And then Holly and Robin, they would have been from a  
20 different department.

21 Q. You mentioned these were teleloan employees. These are  
22 teleloan employees working where?

23 A. At AMG.

24 Q. Where was that?

25 A. In Kansas.

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Rogers - Direct

1 Q. Let's turn to the second page.

2 There is an agenda item regarding location. Do you  
3 see that?

4 A. Yes.

5 Q. Did you present on that topic?

6 A. Yes.

7 Q. Can you read out what the presentation was on the topic of  
8 location?

9 A. "Do not tell the customer our location in Kansas. Only  
10 give them the Oklahoma or the Nebraska address, depending on  
11 which company you are working. Giving out Kansas is grounds  
12 for termination."

13 Then in the conclusions, "Do not disclose the actual  
14 location to customers."

15 Q. It says "KS." KS means Kansas in this document?

16 A. Yes.

17 Q. OK. The references to the OK or NE address, what does that  
18 mean again?

19 A. That is abbreviations for Oklahoma and Nebraska.

20 Q. What was in Oklahoma and Nebraska?

21 A. That would be where the Indian tribes were located.

22 Q. Now, it says there that giving out Kansas is grounds for  
23 termination. Do you see that?

24 A. Yes.

25 Q. During your time in the business, was anyone actually fired

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Rogers - Direct

1 for giving out the company's actual Kansas location?

2 A. Yes, I do recall at least two employees.

3 THE COURT: I'm sorry. I didn't hear what you said.

4 I do recall?

5 THE WITNESS: At least two employees.

6 THE COURT: Thank you.

7 Q. Now, did customer service representatives ever encounter  
8 any difficulties when they were telling customers that they  
9 were sitting in Miami or Niobrara?

10 A. Yes.

11 Q. What kinds of problems?

12 A. One kind of major problem was like what the weather is  
13 doing there. You know, a customer may ask, Well, how's the  
14 weather there? And the employees didn't know what to say.  
15 They didn't know if they were having storms there or if it was  
16 a nice sunny day.

17 Q. Let me show you what has been marked as 1904.

18 What is 1904?

19 A. This is an e-mail that came from the operations department  
20 about the customer service, like agenda, reminders. So stuff  
21 that we needed to remind our employees.

22 Q. Was it sent to you?

23 A. Yes, it was.

24 MR. VELAMoor: The government offers 1904.

25 THE COURT: Any objection?

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Rogers - Direct

1 MR. ROTH: No objection.

2 THE COURT: Received.

3 (Government's Exhibit 1904 received in evidence)

4 MR. VELAMOOR: Ms. Grant, would you publish 1904.

5 Q. What is the subject of this e-mail?

6 A. The subject says "customer service agenda reminder."

7 Q. What is the first item on the agenda?

8 A. It says, "Reps should not talk about the weather to  
9 customers. Please add this to your meeting agendas. Small  
10 talk is OK, but the weather subject should be avoided."

11 Q. All right. So this issue of the weather topic came up.  
12 Did the business come up with a solution?

13 A. Yes.

14 Q. What was the solution?

15 A. What they ended up doing was sending out like a weather  
16 report daily so the customer service reps would know what the  
17 weather is doing in Miami, Oklahoma, and Niobrara, Nebraska.

18 Q. I will show you what has been marked as 1906 and 1909.

19 Have you had a chance to look at 1906 and 1909?

20 A. Yes, sir.

21 Q. What are they?

22 A. These would be the weather e-mails that were sent out to  
23 the customer service reps.

24 MR. VELAMOOR: The government offers 1906 and 1909.

25 THE COURT: Any objection?

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Rogers - Direct

1 MR. ROTH: No, your Honor.

2 THE COURT: Mr. Bath.

3 MR. BATH: No.

4 THE COURT: Received.

5 (Government's Exhibits 1906 and 1909 received in  
6 evidence)

7 MR. VELAMoor: Ms. Grant, why don't we start with  
8 1906.

9 BY MR. VELAMoor:

10 Q. What is the date of this e-mail?

11 A. This would have been February 28, 2011.

12 Q. What is the subject?

13 A. Weather for 2/28/2011, Miami, Oklahoma.

14 Q. Were any of the people to whom this e-mail is sent actually  
15 in Miami, Oklahoma?

16 A. No, they were not.

17 Q. Where were they?

18 A. All of these people were located in Kansas, at the AMG  
19 building.

20 Q. Why don't we go down and just take a look at the body of  
21 the e-mail.

22 Can you read the body of the e-mail?

23 A. Yes. It says, "Right now: 36 and cloudy.

24 "Today: 49 and a.m. T-storms and winds.

25 "Tonight: 29 and clear.

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Rogers - Direct

1 "Tomorrow: 65 and sunny."

2 Q. Why don't we turn to 1909.

3 What is the date of this e-mail?

4 A. January 17, 2012.

5 Q. Now, there are a lot of names to whom this e-mail is sent.

6 Can you take a second and familiarize yourself with all the  
7 people to whom this e-mail was sent?

8 A. This would have went to the customer service reps.

9 Q. Are you among the people to whom this is sent?

10 A. Yes.

11 Q. Again, when you were known as Kelly Heath?

12 A. Yes.

13 Q. To your knowledge, are any of the people to whom this  
14 e-mail is sent located in either Miami, Oklahoma, or Niobrara,  
15 Nebraska?

16 A. No, they were located in Kansas.

17 Q. The subject of this e-mail is what?

18 A. Is January 17, 2012 weather.

19 Q. This is about a year after the previous e-mail I showed  
20 you?

21 A. Yes.

22 Q. Why don't we just take a look at the body of it.

23 Go ahead and read what it says.

24 A. Niobrara, Nebraska is currently 10 degrees and mostly  
25 cloudy. The forecast is 19 degrees and partly cloudy.

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Rogers - Direct

1 Miami, Oklahoma is currently 27 degrees and sunny.  
2 And the forecast is 48 degrees and mostly sunny and windy.

3 Q. I will show you one more, Government Exhibit 1908.

4 Have you had a chance to look at 1908?

5 A. Yes, sir.

6 Q. What is 1908?

7 A. It is another e-mail in correspondence to the weather  
8 e-mails that were sent out.

9 MR. VELAMOOR: The government offers 1908.

10 MR. ROTH: No objection.

11 MR. BATH: No objection.

12 THE COURT: Received.

13 (Government's Exhibit 1908 received in evidence)

14 MR. VELAMOOR: May we show 1908, please.

15 Q. First of all, what is the date of this e-mail?

16 A. The date is August 11, 2011.

17 Q. What is the subject?

18 A. Weather e-mails.

19 Q. Why don't we just focus on the second full paragraph.

20 Can you read that and explain roughly what it means?

21 A. It says, "I am setting a task reminder for all OPS that  
22 will alert them each morning at 6:45 a.m. If they are the  
23 person scheduled on the earliest shift, it will be their  
24 responsibility to send. If they are not, they can simply press  
25 dismiss or complete. I've asked that I'm cc'd to ensure it's

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Rogers - Direct

1 handled. This process will be discussed in department meeting  
2 on Tuesday."

3 Q. Do you know what a task reminder for all OPS is?

4 A. OPS stands for OPS, so the operations department.

5 Q. What is Ms. Hildebrand explaining that she has done?

6 A. Anybody that was in the operations department would receive  
7 a reminder at 6:45 in the morning that any weather e-mail will  
8 need to be sent out.

9 Q. After customers received their loans, did you or people you  
10 worked for ever speak with customers again?

11 A. Yes.

12 Q. What context, how would you hear from them again?

13 A. They may just be inquiring about their loan or what would  
14 be debited from their account. Sometimes it was also that a  
15 customer was upset that we have debited either so much money or  
16 that we have debited more money than what they were expecting  
17 us to.

18 Q. If customers were upset, what kinds of things were  
19 customers typically upset about?

20 A. Customers were upset about the amount of finance charge  
21 that was coming out of their account, or maybe they went into  
22 their automatic pay down, and so you're debiting more money  
23 from the customer's account and they are used to just a service  
24 fee, but now it's a service fee plus \$50. Some customers were  
25 upset that they may have looked into it that the finance charge



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Rogers - Direct

1 was -- they couldn't charge that in the state that they lived  
2 in.

3 Q. Did you or others at the company keep tallies or summaries  
4 of the complaints and the different kinds of complaints?

5 A. Yes. There was some recording that was done as to the  
6 different types of complaints and what they were.

7 Q. You mentioned that the fifth due date was often a time when  
8 you would hear from customers?

9 A. Yes.

10 Q. Again, can you explain why that was?

11 A. Well, before the fifth due day, being debited from the  
12 customer's account would have just been the service fee. So,  
13 for example, if it was a \$300 loan, then just \$90 would be  
14 coming out of the account. But on the fifth due date is when  
15 the \$50 that would go towards the actual principal of the loan  
16 would also come out. So they would have a debit for \$90 and  
17 also another debit for \$50, and a lot of customers didn't  
18 understand what was going on.

19 Q. You mentioned that the volume and nature of the complaints  
20 were summarized or tallied?

21 A. Yes.

22 Q. Did you discuss complaints at meetings?

23 A. At manager meetings, yes, different complaints were  
24 discussed.

25 Q. Did you discuss in these meetings whether customers were

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Rogers - Direct

1 reading the terms of the contract?

2 A. Yes.

3 Q. What was the discussion about that?

4 A. The discussion was -- well, the conclusion of that  
5 discussion would have been that the customer really doesn't  
6 read their loan note, they don't understand it in most cases,  
7 so that's why the customer then is calling later on and  
8 complaining.

9 Q. Was there a common discussion specifically about the TILA  
10 boxes we talked about?

11 A. I can't really recall a specific -- you know, looking at or  
12 reviewing over those boxes I guess.

13 Q. I will show you what has been marked as 1907.

14 Have you had a chance to look at 1907?

15 A. Yes.

16 Q. What is that?

17 A. This is an e-mail that is coming from Robert Tasby. He  
18 would have been a customer service rep that answered e-mails  
19 from customers.

20 MR. VELAMOOR: The government offers 1907.

21 THE COURT: Any objection?

22 MR. ROTH: No.

23 MR. BATH: No, sir.

24 THE COURT: Received.

25 (Government's Exhibit 1907 received in evidence)

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Rogers - Direct

1 Q. Why don't we start at the bottom e-mail from Mr. Tasby.

2 That's an e-mail sent to which address?

3 A. It was sent to CMG suggestions.

4 Q. What was CMG suggestions?

5 A. It would have been -- CMG would have stood for Crystal's  
6 management group.

7 Q. What was Crystal's management group?

8 A. It would have been all of the managers over each one of the  
9 loan profiles that Crystal was over.

10 Q. Can you read the text of Mr. Tasby's e-mail?

11 A. Yes.

12 "I think we should change the way the loan contract  
13 reads in regards to pay in full or pay down. The contract  
14 states that the customer has to fax us a request to pay in  
15 full. I just got an e-mail from a customer who was upset  
16 because she didn't have a fax, and the contract says that she  
17 had to fax something when she had already set up a pay in full  
18 via the Web site. I think it would be a good idea to add the  
19 loan forms that we can request the pay down or pay in fulls via  
20 e-mail or on the Web site. I think it would be helpful for  
21 us -- it would help us get some more customers because I've  
22 seen some customers cancel because they don't have any  
23 access --"

24 THE COURT: They say they don't.

25 A. "They say they don't have any access to a fax and our

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Rogers - Direct

1 contract clearly states that you will need to have access to  
2 require any -- or request any arrangements. Just a thought."

3 Q. Did you respond to that?

4 A. Yes, I did.

5 Q. Why don't we go up to your response.

6 A. Would you like me to read it?

7 Q. Yes.

8 A. "I think this will be a very good idea to update our loan  
9 document with all of the new payment options."

10 Q. What is Ms. Cram's response?

11 A. "We cannot make changes to the loan contract. Legal has  
12 been in review of the contracts for about a year and a new  
13 version should be coming soon."

14 Q. What did you understand the word "legal" to mean or to  
15 refer to?

16 A. Our legal department, which would have been headed up by  
17 Tim Muir.

18 Q. To your knowledge, was this change that Mr. Tasby proposed  
19 adopted into the loan contract?

20 A. No, it was not.

21 Q. You also mentioned, I think, complaints about whether the  
22 amount of interest was legal under the laws of certain states?

23 A. Yes.

24 Q. Typically, what kinds of complaints did you get on that  
25 topic?

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Rogers - Direct

1 A. That a customer has looked up the laws in their state and  
2 that a company can't charge that much or that amount for a  
3 payday loan.

4 Q. Do you know whether that complaint, the volume of those  
5 complaints was also discussed at meetings with management?

6 A. Any time that we received any kind of complaint such as  
7 those, or anything that stated attorney general or state laws  
8 or anything like that, that would have to go to the compliance  
9 department. So those were forwarded over. So any time we got  
10 a customer complaint like that, they were forwarded to the  
11 compliance department.

12 Q. Let me show you what has been marked as 1910.

13 Have you had a chance to look at 1910?

14 A. Yes.

15 Q. What is 1910?

16 A. This would be out of the training manual. This would be  
17 like a collections role playing script.

18 MR. VELAMOOR: The government offers 1910.

19 THE COURT: Any objection?

20 MR. ROTH: No, your Honor.

21 THE COURT: Mr. Bath, any objection?

22 MR. BATH: No.

23 THE COURT: It's received.

24 (Government's Exhibit 1910 received in evidence)

25 MR. VELAMOOR: Ms. Grant, why don't we start by

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Rogers - Direct

1 enlarging the top half of the document.

2           Actually, even do the title.

3 Q. The title says "collections role playing scripts." Do you  
4 see that?

5 A. Yes.

6 Q. What exactly is this?

7 A. This would be, like, maybe a response that the customer  
8 would give, and then it shows what the rep's response should  
9 be, or what they should do.

10 Q. So this is a script for what situation?

11 A. A situation where the customer states that they have  
12 already paid such amount and they want to know why they still  
13 have a balance.

14 Q. The title there says the customer states what?

15 A. Illegal interest rate in their state.

16 Q. So they are pretending what the customer might say in a  
17 certain situation?

18 A. Yes.

19 Q. In this situation they are imagining, what does the  
20 customer say?

21 A. That the customer says, I have already paid blank amount.  
22 Why do I still have a balance? It's illegal to charge this  
23 much for interest in the state of blank.

24 Q. What appears next in the document?

25 A. The rep says, "Fees are service charges on a loan. And

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Rogers - Direct

1 failure to read the contract clearly states the terms and  
2 conditions."

3 Q. What is the significance of what is written there? Is that  
4 what the customer service representative is supposed to say?

5 A. Yes.

6 Q. The first thing is, "Fees are service charges on the loan"?

7 A. Yes.

8 Q. The second is, "Failure to read contract clearly states  
9 terms and conditions."

10 A. Yes.

11 Q. So what comes next? What is the purpose of the next part  
12 of this document?

13 A. The next part is what another customer would say.

14 Q. Go ahead and read that.

15 A. "I have still paid too much money and I still have a  
16 balance of blank. After doing some research, I have found that  
17 the most interest that you can charge is blank."

18 Q. What is the representative, according to this, supposed to  
19 do when a customer says that?

20 A. They are supposed to give them the compliance script.

21 Then it says, "If the customer starts questioning laws  
22 and you don't have the answers, send the account to compliance  
23 to ensure that the customer is being informed of the correct  
24 information."

25 Q. What would, roughly speaking, compliance do?

H9D8TUC3

Rogers - Direct

1 A. Roughly speaking, it would have something to pertain to --  
2 that your complaint has been sent to compliance and that they  
3 will contact you within a certain amount of hours.

4 Q. Is that the same department you talked about before?

5 A. Yes.

6 MR. VELAMOOR: You can take that down.

7 Q. I will show you what has been marked as 1905.

8 THE COURT: Ladies and gentlemen, you are going to be  
9 in suspense as to Government Exhibit 1905. You will have to  
10 wait until after the lunch break. We will pick up at 2.

11 Please remember, do not discuss the case among  
12 yourselves or with anyone else. We will back in action at  
13 2:00.

14 I think the weather is pretty good out there, and I  
15 hope you enjoy it.

16 (Jury exits courtroom)

17 THE COURT: We are in recess. Thank you.

18 (Luncheon recess)



H9d1tuc4

Rogers - Direct

## AFTERNOON SESSION

2:12 p.m.

(In open court; jury not present)

THE COURT: I received a note from one of the jurors. It's marked as Court Exhibit 2. "Please don't remove exhibits from the screen so fast until we've had enough time to examine them." I will let them know they'll have the exhibits with them in the jury room.

Bring our jury in, please.

(Continued on next page)

H9d1tuc4

Rogers - Direct

1 (Jury present)

2 THE COURT: Please be seated.

3 Thank you, ladies and gentlemen. You are the best.

4 So that we can get back in action.

5 Bring our witness in and put the witness on the stand,  
6 if you will, please.

7 And one thing I wanted to mention. I received a note  
8 about the amount of time that exhibits are up on the screen and  
9 it's a little bit difficult getting through the entirety of the  
10 document seeing it there. This is what I want you to know.  
11 I've informed counsel of this so they're all aware of it. But  
12 at the end of the case, you will have all of the exhibits that  
13 are received into evidence with you in the jury room, so that  
14 you can look at them, read them, you'll have hard copies, so  
15 just know that as well. That's also the case.

16 All right. And you may continue.

17 MR. VELAMoor: Thank you, your Honor.

18 BY MR. VELAMoor:

19 Q. Ms. Rogers, I believe when we left off before lunch, we  
20 were talking about the compliance department and when people  
21 made complaints about loans violating state laws.

22 A. Yes.

23 Q. Do you recall that? Okay. And you I think talked about  
24 the compliance script. Can you just tell us again what the  
25 compliance script was and when it was used.

H9d1tuc4

Rogers - Direct

1 A. It had basically that your complaint has been sent to the  
2 compliance department and that you'll be contacted by them  
3 within a certain amount of hours.

4 Q. Okay. I'm going to show you what's been marked as  
5 Government Exhibit 1905.

6 Have you had a chance to look at 1905?

7 A. Yes.

8 Q. And what is it?

9 A. It is the compliance procedures.

10 MR. VELAMOOR: Your Honor, the government offers 1905.

11 THE COURT: What's it describe, ma'am? What is it  
12 labeled?

13 THE WITNESS: It's labeled as complaint procedures.

14 THE COURT: But they're actually compliance  
15 procedures?

16 THE WITNESS: Yeah, it would be the complaints that  
17 were sent to compliance and what to send to compliance.

18 THE COURT: Thank you. Now I understand.

19 Go ahead. You're offering it?

20 MR. VELAMOOR: Yes, your Honor. Thank you.

21 THE COURT: Any objection? Mr. Roth?

22 MR. ROTH: No, your Honor.

23 THE COURT: Received.

24 MR. ROTH: Is that the entire manual there?

25 THE WITNESS: The entire complaint manual? I'm -- I

H9d1tuc4

Rogers - Direct

1 don't know if it --

2 THE COURT: What is the document that's in front of  
3 you?

4 THE WITNESS: It is the AMG Services complaint  
5 procedure.

6 THE COURT: All right. Mr. Roth, would you like to  
7 look at it or --

8 MR. ROTH: No, no, no. I have the exhibit. I just  
9 don't know -- it's not paginated, so I didn't know if that was  
10 the complete sum total of the complaint procedures.

11 THE COURT: Is that the sum total of the complaint  
12 procedures?

13 THE WITNESS: As far as I know, yes.

14 THE COURT: Okay. Thank you. Received into evidence.

15 (Government's Exhibit 1905 received in evidence)

16 MR. VELAMOOR: Thank you, your Honor. And can we show  
17 it to the jury.

18 THE COURT: You may.

19 BY MR. VELAMOOR:

20 Q. So these are procedures that are dated July 13, 2010, is  
21 that right?

22 A. Yes.

23 Q. Let me turn to the next page.

24 MR. VELAMOOR: And if we enlarge the top paragraph.

25 Q. And Ms. Rogers, can you read what it says.

H9d1tuc4

Rogers - Cross

1 A. Yes. "If you receive any form of communication from one of  
2 the following, please forward it immediately to the compliance  
3 department: U.S. Attorney's Office; Attorney General office;  
4 any government agency; any investigator for the government  
5 entity; Better Business Bureau; from any attorney who was  
6 retained by a customer or any communication that includes cease  
7 and desist statement that is not a D&O, with a existing process  
8 or procedure."

9 Q. Now once the complaints were sent to the compliance  
10 department, were you involved in what happened to them at that  
11 point?

12 A. No.

13 MR. VELAMOOR: No further questions, your Honor.

14 THE COURT: All right. Cross-examination?

15 MR. ROTH: Thank you, your Honor.

16 CROSS EXAMINATION

17 BY MR. ROTH:

18 Q. Good afternoon, Mrs. Rogers.

19 A. Hello.

20 Q. You indicated that you were working at CLK for a period of  
21 time, is that correct?

22 A. Yes.

23 Q. And then you were fired, is that correct?

24 A. Are you talking about whenever I left or --

25 Q. Well, were you --

H9d1tuc4

Rogers - Cross

1 A. Because I did not continuously work there.

2 Q. Right. Well, how many times did you leave and come back?

3 A. Just once.

4 Q. Okay. And when was that?

5 A. Around 2008, I believe, whenever I left.

6 Q. And when you left, what was the name of the company?

7 A. AMG Services.

8 Q. Okay. And when you came back, what was the name of the  
9 company?

10 A. AMG Services.

11 Q. Did you ever work for CLK? You were always working for  
12 AMG, never for CLK?

13 A. No. CLK, I worked for them in the beginning, whenever I  
14 first started.

15 Q. Right. So there were two separate entities, is that  
16 right --

17 A. I --

18 Q. -- CLK and AMG?

19 A. CLK was what I initially started to work for back in 2001.

20 Q. Right.

21 A. And then they renamed the company AMG, and as far as what I  
22 knew, CLK went away, and it was just AMG.

23 Q. But when you say it went away, that's just from what we  
24 call cooler room talk around the water cooler?

25 A. I never knew of CLK being used any further after it was

H9d1tuc4

Rogers - Cross

1 named AMG.

2 Q. Okay. But you're not aware -- when you talk about who you  
3 thought was the owner of those companies, you never saw any  
4 corporation documents or anything.

5 A. No documentation, no.

6 Q. Okay. Did you receive paychecks from both separate  
7 entities?

8 A. I received paychecks from CLK whenever it was CLK, plus  
9 National Money Service paychecks as well, and then whenever the  
10 name switched to AMG, then I received AMG paychecks.

11 Q. Okay. And you were there, though, working when it became  
12 AMG?

13 A. Yes.

14 Q. Okay. You indicated that there was a fraud unit in the  
15 operation, is that correct?

16 A. Yes.

17 Q. And I believe you testified that -- I think you said that  
18 the compliance and fraud unit was one. Is that accurate?

19 A. Yes, my -- to my understanding, that's -- it was kind of  
20 the same group. The same group kind of handled both -- both of  
21 the things, fraud and compliance.

22 Q. Do you know what the functions of the fraud unit was?

23 A. Not necessarily, no. I don't know all the little ins and  
24 outs to it. The only thing, from my understanding, is that any  
25 time you might have customers that just randomly fill out

H9d1tuc4

Rogers - Cross

1 applications to get loans, with the intention of not paying  
2 them back, you did have those kind of customers that came up,  
3 and the fraud department would handle those and go through the  
4 different applications to recognize if that was the same person  
5 that maybe is applying in somebody else's name, for example.

6 Q. So in other words, sometimes people tried to perpetrate  
7 identity theft, is that fair to say?

8 A. Yes.

9 Q. And were you aware that the fraud unit cooperated with  
10 various law enforcement agencies to try to prevent that and to  
11 prosecute those people?

12 A. I'm not --

13 MR. VELAMOOR: Objection, your Honor.

14 THE COURT: Basis.

15 MR. VELAMOOR: Relevance.

16 THE COURT: Sustained.

17 Q. You referred very often in your testimony to management.  
18 Let's go over who management is that you were referring to in  
19 regard to yourself. Who was above you?

20 A. Who would have been directly above me would have been  
21 Crystal Cram, and that's who I would have took a lot of my  
22 direct orders from.

23 Q. And when you say direct orders, what kind of supervisor was  
24 she, or manager of you?

25 A. She would have been my manager.



H9d1tuc4

Rogers - Cross

1 Q. No. But I mean in terms of style. Did she micromanage  
2 you, is that fair to say?

3 A. Yes, she did.

4 Q. Okay. And nothing got done without her approval, is that  
5 fair to say?

6 A. Yes, she -- you would have to get stuff approved through  
7 her.

8 Q. And you were not involved in many of the conversations that  
9 she had with people who were above her, is that correct?

10 A. Correct.

11 Q. So other than Crystal Grote, what other people did you  
12 refer to as upper management?

13 A. Above her or upper management would have been Scott Tucker  
14 and then Blaine and Joel Tucker, Norma --

15 Q. How about Natalie Dempsey?

16 THE COURT: Well, don't interrupt the witness during  
17 the answer.

18 MR. ROTH: I apologize.

19 THE COURT: Were you finished with your answer?

20 THE WITNESS: Yes.

21 THE COURT: Thank you. Go ahead.

22 A. And did I say -- I wasn't sure. I can't remember if I said  
23 Tim Buckley or not.

24 Q. You did not.

25 Was she a strict manager in respect to people adhering

H9d1tuc4

Rogers - Cross

1 to the employee handbook and the regulations that she imposed?

2 A. Yes, she was strict.

3 Q. Did she have anything to do with forcing employees out?

4 A. I'm not real sure what you mean.

5 Q. Well, did she ever take exception to actions of employees  
6 and as a result of that, force them out of the company?

7 A. No, not that I was aware of.

8 Q. Okay. Was she virtually in contact and aware of all  
9 operations that you were aware of?

10 A. That I was aware of, yes, she would know of them.

11 Q. And the converse, if you will, the opposite of that is  
12 that, fair to say that you were not aware of a lot of the  
13 dealings that she had and the knowledge that she had in terms  
14 of dealing with management above her?

15 A. Yes, I was not aware of those dealings.

16 Q. You were not in on the inner circle, is that correct?

17 A. Correct.

18 Q. I mean, is it fair to say -- I think you used the words  
19 that you were looking in in some respects to --

20 You were talking about Crystal before, right, in terms  
21 of the -- her practices, Crystal Grote's, her management  
22 practices to you?

23 A. Yes.

24 Q. Supervisory practices to you.

25 A. Right, to -- yes.

H9d1tuc4

Rogers - Cross

1 Q. Okay. Oh, I'm sorry. I'm being asked to clarify. Grote,  
2 she has two names, like you. What are her two names?

3 A. Well, she technically has three all together, because she  
4 was three different last names while I was there.

5 Q. Right.

6 A. But the most time she was --

7 Q. They're not aliases, though, right?

8 A. No, they were not aliases. They were just maiden names.  
9 But it was Crystal Stubbs and Crystal Cram and then Crystal  
10 Grote.

11 Q. Okay. Thank you.

12 A. All the same person.

13 Q. And you indicated at one point that some of your  
14 observations were almost through a conference room glass, if  
15 you were, of management talking?

16 A. Yes, yeah, they would have meetings, and you'd be able to  
17 see them in there having meetings.

18 Q. Right. You'd be able to see them, but you wouldn't hear  
19 what they were saying, is that right?

20 A. Correct.

21 Q. So some of what you testified about is a little bit of  
22 speculation, is that fair to say, in terms of the conclusions?

23 A. All I said was they had meetings. I don't know what they  
24 were discussing.

25 Q. Okay. I'd like to go over with you some of the exhibits

H9d1tuc4

Rogers - Cross

1 that the government introduced.

2 MR. ROTH: 1904, could we bring that up.

3 Q. On that exhibit, that's the one that you're on and Crystal  
4 is copied on, and that discusses whether or not people should  
5 discuss the weather location at your Kansas location, is that  
6 correct?

7 A. Yes. This would be an email that had a number of different  
8 items on it that we needed to discuss with customer service  
9 reps.

10 Q. Okay. And Scott Tucker is not on that email chain, is he?

11 A. No, he is not.

12 Q. Okay. And what about Tim Muir?

13 A. He is not on here either.

14 MR. ROTH: And could we bring up 1906.

15 Q. That's another email that the government introduced where  
16 you're copied on that, and that's the one about weather  
17 reports, is that correct?

18 A. Correct.

19 Q. And on that email, is Scott Tucker copied on that?

20 A. No, he is not.

21 Q. Is Tim Muir copied on that?

22 A. No, he is not.

23 MR. ROTH: 1909, if we could have that.

24 Q. That's another email that the government introduced in  
25 regard to weather reports, is that right?

H9d1tuc4

Rogers - Cross

1 A. Yes, it is.

2 Q. And you're copied on that, is that correct?

3 A. Yes, I am.

4 Q. Is Scott Tucker copied on that?

5 A. No, he is not.

6 Q. And how about Mr. Muir?

7 A. He is not as well.

8 Q. By the way, when you indicated that Scott Tucker was on  
9 some other emails that you were on, the email chain, you didn't  
10 actually email with Scott Tucker, is that fair to say?

11 A. No, I did not email directly with Scott Tucker, no.

12 Q. And Scott Tucker never directly emailed with you, is that  
13 right?

14 A. Correct.

15 Q. And the same holds for Tim Muir, is that correct?

16 A. Correct.

17 Q. And is it fair to say in that regard that you never had any  
18 substantive conversations, business conversations with  
19 Mr. Tucker?

20 A. No, I did not.

21 Q. How many people did the company grow to by the time that  
22 you left?

23 A. It was over 300.

24 Q. That's the maximum number of people in the entire building  
25 that took -- when you say they took over all the floors?

H9d1tuc4

Rogers - Cross

1 A. I am not aware of the exact number, but 300 is what I would  
2 be aware of.

3 Q. You had mentioned that when you were a team leader, after  
4 the loan applications were gathered, you batched them up to  
5 send them on to the next step, is that correct?

6 A. Yes.

7 Q. Okay. Do you know whether those loans were actually  
8 processed on site or off site by a processor?

9 A. I'm not sure what the -- the process would have been once  
10 it left my department that I was working in.

11 Q. Okay. Fair enough. Did Crystal make a -- I want to say  
12 crystal clear point, but did she make it emphatic to you that  
13 you and other employees should not be going to Mr. Tucker to  
14 discuss complaints, your own complaints or anything else, that  
15 everything had to be channeled through Crystal?

16 A. Yes, she did.

17 Q. And as you sit here now, is it clear in your mind that  
18 Crystal was the one who came up with this discussion about  
19 weather reports and location?

20 A. I don't know who originally made it up or brought it up.

21 Q. She's the one who had the policy, is that correct?

22 A. It was the policy that -- whenever she gave the policy,  
23 yes, it came from her.

24 Q. Okay. And she was the one who advised persons like  
25 yourself in the customer service department to never tell

H9d1tuc4

Rogers - Cross

1 customers that you were located in Kansas, is that right?

2 A. Yes, that -- that directive did come from her as well.

3 Q. Okay. And was there a directive that said to indicate  
4 those two areas of the Miamis and the Modocs or the Santees,  
5 their location consistent with the information provided in the  
6 loan portfolios that was related to their location?

7 A. I'm not understanding your question.

8 Q. Okay. I'll repeat it. It's my fault.

9 You had different loan portfolios, is that right?

10 A. Correct.

11 Q. That were associated with different Native American tribes,  
12 is that right?

13 A. As far as what I know, yes.

14 Q. Well, it was --

15 A. That they were associated, yes.

16 Q. And it was documented on the loans, right?

17 A. Right. Right.

18 Q. Okay. And so you were told, were you not, to indicate to  
19 customers, when you were asked where you were located, either  
20 Nebraska, or depending on what portfolio you were dealing with?

21 A. Yes.

22 Q. Okay. And to your knowledge documentation came actually  
23 from customers to that location that was listed on the loan  
24 documents, to the tribes?

25 A. I don't know.

H9d1tuc4

Rogers - Cross

1 Q. You didn't see mail coming back from the tribes to you?

2 A. No, I did not.

3 Q. Okay. And you had indicated that there were several  
4 people, personnel -- I think you said two or three, and I  
5 wasn't clear whether it was two or three people at each tribe  
6 that was dealing with the loans, the customers.

7 A. No. What I knew of was two representatives, one from each  
8 tribe. So one was at each tribe, basically, at that location.

9 Q. And you spoke to those people.

10 A. I didn't speak with them normally over the phone. It was  
11 usually through email. And the communication that I had with  
12 them a lot of times was they wanted to leave for the day but  
13 they still had calls in their queues to make, and so they would  
14 send over an email requesting to leave and then I would send  
15 that request over to Crystal, and then I would get a response  
16 back if they could leave or if they needed to stay.

17 Q. Mm-hmm. Did you ever ask -- were you ever told by Crystal  
18 that the reason that the loans could carry such high interest  
19 rates was because the company was owned by Indian tribes that  
20 were not required to follow state law?

21 A. No.

22 Q. You were never told that?

23 A. No, not that I can recall, no.

24 Q. Do you recall ever telling the United States Attorney when  
25 you were meeting, or during your meetings for preparation for



H9d1tuc4

Rogers - Cross

1 your testimony today that you had told them that?

2 A. I don't --

3 Q. That Crystal had told you that?

4 A. I don't remember saying that.

5 Q. Is it possible that you did?

6 A. It could be possible, but I don't remember it.

7 MR. ROTH: 1908 is another one, if we could bring that  
8 up. 1908, Government 1908.

9 Q. That's another email concerning setting up what was called  
10 a task reminder about weather reports. Do you see that?

11 A. Yes.

12 Q. And that was to the entire group, is that right, from  
13 Angela?

14 A. Yes, it's from Angela to --

15 Q. Crystal?

16 A. -- to Crystal, yes.

17 Q. Okay. And once again, Mr. Muir is not on there and  
18 Mr. Tucker is not on there, is that correct?

19 A. That is correct.

20 Q. Do you recall being told by Crystal that when customers  
21 complained about interest rates to provide, you were instructed  
22 to say: We do not reside in your state and your state's  
23 lending laws do not apply?

24 A. I don't recall if I said that or not.

25 Q. Possible you did?

H9d1tuc4

Rogers - Cross

1 A. I don't recall if I did or not.

2 Q. Did you tell that to the government in your preparation?

3 A. I don't remember if I did or not.

4 Q. You made a claim that there was a loan product that renewed  
5 forever, if you will, is that right?

6 A. Whenever I first started working there, yes, the loans were  
7 just automatically renewed.

8 Q. Forever.

9 A. Yeah. If they still had a loan, then if they didn't pay it  
10 off in full, then it just kept continually being renewed.

11 Q. And do you have any documentation to support that claim?

12 A. No, I do not have documentation of that.

13 Q. Did you show any documentation to the government concerning  
14 that?

15 A. No, I did not.

16 Q. You indicated that there was a legal department, is that  
17 right?

18 A. Yes.

19 Q. And was there a fellow named Jared Marsh in the legal  
20 department?

21 A. That name doesn't ring a bell.

22 Q. Who was the head of HR?

23 A. That would have been -- I can't remember her name.

24 Q. Okay. You never had any actual contact with the legal  
25 department, is that right?

H9d1tuc4

Rogers - Cross

1 A. No.

2 Q. You never had any contact with Mr. Muir, is that right?

3 You never had a conversation about any of the policies, is that  
4 right?

5 A. Correct, I did not.

6 Q. And you didn't actually write any of the so-called scripts  
7 that the customer services reps were supposed to follow, is  
8 that right?

9 A. Scripts for what exactly are you asking for, or asking  
10 about?

11 Q. Well, for instance, you didn't write the weather script, is  
12 that right?

13 A. No.

14 Q. Okay. Or location script.

15 A. No.

16 Q. That would be Crystal, is that fair to say?

17 A. I got my direction or the script came from her.

18 Q. Directly.

19 A. Directly.

20 Q. And she's the one who told you to follow that script, is  
21 that right?

22 A. Yes, that would have been who I got all my direction from.

23 Q. You were talking before about your recall of how many  
24 complaints came in and the different categories of complaints  
25 from customers that you serviced. Do you recall that?

H9d1tuc4

Rogers - Cross

1 A. Can you say the question one more time.

2 Q. Yeah. You were testifying about what you -- you gave  
3 numbers of percentage of complaints, what they were about, that  
4 the customers were calling about --

5 MR. VELAMOOR: Objection, your Honor.

6 Q. -- the nature of the complaint.

7 MR. VELAMOOR: Mischaracterizes the testimony.

8 THE COURT: All right. Do you recall giving that  
9 testimony?

10 THE WITNESS: I recall giving testimony that -- of the  
11 different types of complaints.

12 THE COURT: Thank you.

13 Next question.

14 BY MR. ROTH:

15 Q. Okay. And how many customers were dissatisfied, if you  
16 know?

17 A. I wouldn't be able to say like a percentage or anything  
18 like that.

19 Q. Could you accept that of all the applicants, less than  
20 1 percent were complaints?

21 A. I wouldn't be able to say.

22 Q. And that is complaints about either the loan terms and  
23 conditions; that's what I'm talking about, in part.

24 A. I wouldn't be able to give you an amount or a -- a number  
25 as to how many there were.

H9d1tuc4

Rogers - Cross

1 Q. And that's virtually because you were not privy, you didn't  
2 have the knowledge of any records tallying up the amount of  
3 customers who were satisfied versus unsatisfied, is that right?

4 A. There was reports of different kinds of complaints, but I  
5 don't remember the numbers of those.

6 Q. You're just not in a position to say, is that right?

7 A. I don't know the numbers.

8 MR. ROTH: I'd like to turn to 2202, the Sanchez loan  
9 note. If we could bring that up.

10 And the second page.

11 Is this 2202, the loan note? And is there a third  
12 page there? Yes. Okay. And if you could highlight the line  
13 right under the TILA box, the promise to pay, under the TILA,  
14 all the way down after the TILA box ends, all the way down.  
15 Thank you. Blow that up.

16 BY MR. ROTH:

17 Q. Do you see the section called Promise to Pay?

18 A. Yes.

19 Q. In there it indicates that there's a promise --

20 MR. ROTH: I'm sorry. Could you go up under the  
21 bigger box first, Eli, right under the numbers for the TILA  
22 box, the APR. Right up at the top, under the APR. Right  
23 there. Thank you.

24 Q. Can you read to me that first full sentence.

25 A. "Your payment schedule will be one payment of \$390 due on

H9d1tuc4

Rogers - Cross

1 2010/7/21, if you decline the option of renewing your loan."

2 Q. And there's an asterisk by "decline," is that right?

3 A. Correct.

4 Q. The client, the customer there is told that the payment is  
5 \$390 due on the first due date if they decline the option, is  
6 that what that says?

7 A. That is what that says, yes.

8 MR. ROTH: Okay. And could we have 2201.

9 Q. This is the -- you call this the confirmatory email?

10 A. The congratulations email.

11 Q. Congratulations, or it's confirming in the terms of the  
12 loan, that the loan has been approved, is that correct?

13 A. Yes, it's telling the customer, "Congratulations, you've  
14 been approved for your loan."

15 Q. Okay. And do you see the language in there about renewal  
16 on the bottom there?

17 A. Yes.

18 MR. ROTH: And Eli, if you could highlight for me how  
19 many times "renewal" -- or "renew" or "renewal."

20 Q. Well, as you read through it yourself while he's doing  
21 that, how many times does that appear in the entire document  
22 there?

23 THE COURT: The document is in evidence. The jury can  
24 see. It's just a counting exercise. Move on.

25 Q. Okay. Is it clear there that that talks about what happens

H9d1tuc4

Rogers - Cross

1 only if there's a renewal?

2 MR. VELAMOOR: Objection, your Honor. I don't --  
3 form.

4 THE COURT: Rephrase, please.

5 Q. Under Renewal, under the Renewal section there, it's  
6 highlighted.

7 A. Yes, sir.

8 Q. You have the option to have it not renewed if you pay in  
9 full, is that correct? That's what the customer is told.

10 MR. VELAMOOR: Objection. That's not what it's --

11 THE COURT: Yes. That's not what it says.

12 Q. Well, read me the first two sentences there.

13 A. The first two sentences?

14 Q. Under Renewal.

15 A. "Your loan is always due on your due dates. By receiving  
16 your loan through 500 FastCash, you agree that your loan will  
17 be renewed unless you request a paydown and an additional  
18 amount against your principal or pay out the balance in full."

19 Q. Okay. So that means you could -- that's the paid in full  
20 option, right?

21 A. If you're paying the balance in full, is that what you're  
22 asking?

23 Q. Yes.

24 A. Yes, if you pay your loan in full is the payoff option.

25 Q. Okay.

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Rogers - Cross

1 THE COURT: Do you have to request that in advance?

2 THE WITNESS: You have to request that in advance of  
3 any due date if you're wanting to pay it off, yes.

4 THE COURT: So you cannot pay down the outstanding  
5 balance on the due date unless you've in advance indicated that  
6 you're planning on doing this.

7 THE WITNESS: Correct.

8 THE COURT: And so if you said, "Here's the amount of  
9 the outstanding balance" on the due date but did not give any  
10 advance notice, you could not pay down that amount, is that  
11 correct?

12 THE WITNESS: Yes, you would not be able to pay down.  
13 You would have to do that in advance.

14 THE COURT: And if you tried to pay it down on the due  
15 date and you hadn't given notice in advance, the loan would be  
16 renewed.

17 THE WITNESS: Correct.

18 THE COURT: Okay. Thank you.

19 BY MR. ROTH:

20 Q. And you had three -- you were told that you had three-day  
21 notice in advance of the due date to notify them, the company,  
22 that you didn't want the loan renewed, is that right?

23 A. Yes. They would have to notify at least three days, three  
24 business days before their due date.

25 Q. And it was clearly stated, right?



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Rogers - Cross

1 A. It is stated on that document, yes.

2 MR. ROTH: Okay. Could we have 1917 brought up,  
3 please.

4 The next page. The bottom of that page. Could you  
5 blow up the bottom of that page.

6 Q. This is the online summary, is that right?

7 A. Yes, it is.

8 Q. Okay. And it says clearly here that you have to initial  
9 here to pay down on the principal balance in the amount of \$50  
10 plus the renewal charge or initial here if you want to pay your  
11 loan in full, the total principal plus the renewal charge, is  
12 that right?

13 A. That is what it says.

14 Q. And then there's an electronic signature box, is that  
15 correct?

16 A. Either electronic signature or you could actually print  
17 that out and manually sign it.

18 Q. But you have to affirmatively initial something, is that  
19 right?

20 A. Yes.

21 Q. And if you're doing it electronically, you can't proceed  
22 and process that document unless you're initialing there, is  
23 that correct?

24 A. I'm not sure if it -- if it worked that way where you had  
25 to initial it whenever you did the electronic signature. I

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Rogers - Cross

1 don't know that process of the document, like if that's the way  
2 it was created.

3 MR. ROTH: One second, your Honor.

4 Judge, I'll let Mr. Bath pick up from here.

5 THE COURT: All right. Mr. Bath.

6 MR. BATH: Eli, could you put up 1918 for me, please.

7 CROSS EXAMINATION

8 BY MR. BATH:

9 Q. I'm going to direct your attention to 1918. It's on the  
10 screen. It's been admitted. You may have it in written form  
11 too, Ms. Rogers. Do you recognize that?

12 A. Yes, sir.

13 Q. I think you said earlier, this came maybe from the training  
14 manual?

15 A. I believe so, yes.

16 Q. And whether it came from the training manual or not, this  
17 is a document that would have been followed at least some of  
18 the time when you were in the company, correct?

19 A. Yes.

20 Q. It's an application process, correct?

21 A. Yes, it is.

22 MR. BATH: If we could go to page 5, please. That  
23 gray box down at the bottom, could we please enlarge that, Eli.  
24 Thank you.

25 Q. That says, "By clicking on 'I agree' below, I understand

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Rogers - Cross

1 and agree that I will receive this loan from Red Cedar  
2 Services, Inc., doing business as 500 FastCash, a tribal  
3 lending entity, direct to my bank account and agree to be bound  
4 by the terms and provisions of all the loan documents above."

5 Did I read that correctly?

6 A. Yes, you did.

7 Q. Now on this document we have a circle, we have some little  
8 check boxes, correct?

9 A. Yes. Up at the top?

10 Q. Yeah. The one that Jim, Mr. Roth just showed you a minute  
11 ago had some initials down at the bottom. Do you remember that  
12 one?

13 A. The last one, the account summary, yes.

14 Q. Yes, ma'am. Is this different versions of the last page,  
15 the one he -- you showed with him and this one here, if you  
16 know?

17 A. These are not the same pages.

18 Q. Different process?

19 A. Well, this is part of the application, and the account  
20 summary is something that the customer would have used after  
21 they got their loan.

22 Q. So the one Mr. Roth showed you was an account summary  
23 document.

24 A. Yes.

25 Q. That's one where somebody goes in and says, hey, I want to

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Rogers - Cross

1 pay down my loan.

2 A. Yes, pay down or pay off.

3 Q. Right. This is the application process.

4 A. Correct.

5 Q. Okay. If you know, what is Red Cedar Services?

6 A. I am unaware.

7 Q. Okay. And on these documents, this is 500 FastCash,  
8 correct?

9 A. Correct.

10 Q. If it was One Click Cash, that would have different  
11 verbiage; it would identify as One Click Cash, would it not?

12 A. Yes, it would.

13 Q. And One Click Cash would have been not Red Cedar Services,  
14 it would have been a different company.

15 A. I -- yes, since they -- that was a different location that  
16 I was aware of than --

17 Q. Who would have One Click Cash been?

18 A. I'm not sure of the actual tribe's name.

19 Q. Okay. How about Ameriloan?

20 A. Ameriloan, I don't know their name so I can't -- it would  
21 have been under the same one as 500 FastCash.

22 Q. So some portfolios were with one tribe and some tribes had  
23 different portfolios.

24 A. Correct.

25 Q. Is it fair to say on this document, this 1918, you'd never

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Rogers - Cross

1 see in here the name CLK on any of these documents, did you?

2 A. No.

3 Q. Or AMG, correct?

4 A. No.

5 MR. BATH: Okay. Thank you, Eli.

6 Q. I take it then you don't have any -- you're not here to  
7 tell us about when Red Cedar Services got created.

8 A. No. I have no clue.

9 Q. Right. Same with the different tribal entities, you don't  
10 know anything about that.

11 A. No. I don't know when they were created or anything.

12 Q. Fair enough. You talked about the training manual earlier,  
13 do you remember that?

14 A. Yes.

15 Q. Okay. And we saw a few pages of that when the government  
16 introduced some of that to you, correct?

17 A. Correct.

18 Q. Now the training manual was a big binder, was it not?

19 A. Yes, it was.

20 Q. And how many pages or how big? Can you give us, the jury  
21 an idea?

22 A. I'm not even sure exactly how many pages. It was at least  
23 a good inch, probably about an inch, inch and a half thick.

24 Maybe about a ream of paper, which is what, 300 pages, maybe?

25 Q. So it was well over a hundred pages, the manual, correct?

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Rogers - Cross

1 A. Yes, it was.

2 Q. And everybody who came and got trained would get one of  
3 those training manuals?

4 A. Yes, they would have one in training class.

5 Q. Now do you just get a training manual and they're like, oh,  
6 here, you know, start right away, or is there some kind of  
7 process?

8 A. No. You had a class that lasted a couple weeks, and every  
9 day you'd go through a certain section of the training manual.

10 Q. Okay. So there would be multiple days of training to work  
11 you through that manual, is that correct?

12 A. Correct.

13 Q. If customers wanted to know where to mail a payment, let's  
14 say they're old-fashioned and wrote checks, where would they be  
15 told to mail the payment?

16 A. I don't recall. I do know that there was customers that  
17 did request that, but I cannot remember.

18 Q. Do you know if it went to the reservations or the federally  
19 recognized tribes or it went to Overland Park, if you know?

20 A. I'm trying to remember. I'm sorry.

21 Q. That's okay.

22 A. No. Those payments would go to the tribe address in  
23 Niobrara or Miami, Oklahoma.

24 Q. We talked about Crystal. She went by Cram or Grote or --

25 A. Stubbs.

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Rogers - Cross

1 Q. Stubbs. I'm sorry.

2 A. Yes.

3 Q. Okay. And was she in charge of a certain group? Was there  
4 a Crystal group?

5 A. Yes.

6 Q. Okay. And tell us, explain to the jury, what does that  
7 mean, Crystal's group?

8 A. She had certain loan portfolios, so she had United Cash  
9 Loans, One Click Cash, US FastCash, and 500 FastCash.

10 Q. So for instance, she did not have Ameriloan --

11 A. Correct.

12 Q. -- because that was somebody else's group.

13 A. Right.

14 Q. All right. Now on the documents that we saw about what I'm  
15 going to call weather reports, do you know what I'm talking  
16 about?

17 A. Yes.

18 Q. All right. Is it fair to say those were all Crystal's  
19 group?

20 A. I'm un -- I'm unaware if it was just hers or not.

21 Q. Well, and that's the point is that -- and I can pull them  
22 up if you needed to, but do you recall that those weather  
23 reports all fell within Crystal's groups?

24 A. Yes, they did.

25 Q. You haven't seen any documents that showed weather report

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Rogers - Cross

1 emails in the other portfolios, did you?

2 A. Correct.

3 Q. Does that lead to your belief that in fact Crystal was in  
4 charge of that?

5 A. I don't know.

6 Q. But you hadn't seen emails with the other groups involving  
7 weather.

8 A. No, I have not.

9 Q. Just a couple more questions I have for you.

10 I think you've told us that you were never in any  
11 meetings with Tim Muir.

12 A. Correct.

13 Q. And that legal was separate from what you did, correct?

14 A. Yes.

15 Q. Okay. And there was an email you were shown by the  
16 government, 1907, and I can pull it up if you need to see it,  
17 but it talked about Crystal said that legal was working on  
18 something. Do you remember that email?

19 A. I might need you to pull it up just so I can --

20 Q. Yes, absolutely.

21 MR. BATH: 1907, please.

22 Q. You've probably seen a lot of documents, right?

23 A. Yes.

24 Q. Do you recognize this as the 2011 -- up at the top, it  
25 says, "We cannot make changes to the loan contract. Legal has



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Rogers - Cross

1 been in review of the contracts for about one year, and the new  
2 version should be coming soon." Do you see that?

3 A. Yes.

4 Q. Okay. All right. Do you know whether that's accurate  
5 information or not?

6 A. I'm kind of unclear as to what you're asking.

7 Q. Let me put it another way. Did you get any more  
8 communication, for instance, from legal about a new contract?

9 A. No, I did not receive any communications from legal.

10 Q. Did you talk to legal about that?

11 A. No, mm-mm. Not myself.

12 Q. I'm sorry. Have you seen any other emails regarding this  
13 that corroborates what Crystal says here?

14 A. No, I don't recall any other further emails.

15 Q. You said you'd left in 2008, and part of the reason was  
16 dealing with management.

17 A. That was part of it, yes.

18 Q. Right. Was that Crystal?

19 A. Yes, it was.

20 Q. Okay. Finally, did you ever meet with attorney Cliff  
21 Cohen?

22 A. That name does not ring a bell --

23 Q. How about --

24 A. -- at all.

25 Q. -- attorney Lance Morgan?

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Rogers - Cross

1 A. No.

2 Q. Or attorney Conly Schulte?

3 A. No.

4 MR. BATH: Thank you so much.

5 THE COURT: All right. Redirect?

6 MR. VELAMOOR: Yes, your Honor.

7 (Continued on next page)

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H9D8TUC5

Rogers - Redirect

1 REDIRECT EXAMINATION

2 BY MR. VELAMOOR:

3 Q. Ms. Rogers, just a few questions.

4 A. Yes, sir.

5 Q. You were asked by Mr. Roth about the name change from CLK  
6 to AMG. Do you recall that?

7 A. Yes.

8 Q. From your perspective as an employee, did anything at the  
9 company change in terms of operations when that name change  
10 took place?

11 A. No, all the processes were still the same.

12 Q. Now, in terms of the loan process, the last stage at  
13 Overland Park was sending it over to which department?

14 A. An electronic file was named through the database and that  
15 file was sent over to the operations group.

16 Q. What did the operations group do?

17 A. As far as I know, they were the ones that send it to the  
18 bank to send money to the customer's account.

19 Q. So to complete the process of offering and providing  
20 someone a loan, right?

21 A. Correct.

22 MR. VELAMOOR: Can we put up on the screen 2202.

23 THE COURT: While we do that, ladies and gentlemen,  
24 let's stand up and stretch.

25 If necessary, I am going to appoint a calisthenics

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Rogers - Redirect

1 coach for the jury.

2 MR. VELAMOOR: Can we go to the third page of 2202.

3 Can we highlight the portion that Mr. Roth, I believe,  
4 highlighted during his cross-examination.

5 Q. The first line: "Your payment schedule will be one payment  
6 of 390 due on 2010/7/21 if you decline the option of renewing  
7 your loan."

8 Do you see that? Do you recall Mr. Roth asked you  
9 about that?

10 A. Yes.

11 Q. Does it say anywhere that your loan will be renewed unless  
12 you do something?

13 A. It does not say that your loan will be renewed, no.

14 Q. Does it say in that sentence that your loan will be  
15 automatically renewed?

16 A. Not, not automatically renewed.

17 MR. VELAMOOR: Can we move on to 2201.

18 Let's go to the next page.

19 Q. There is a discussion that picks up at the top on the pay  
20 down process. Do you see that?

21 I'm sorry, the top paragraph, the top unfinished  
22 paragraph.

23 You see in the second line there, there is a  
24 straightforward reference to an automatic pay down?

25 A. Yes.

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Rogers - Redirect

1 MR. VELAMOOR: Can you turn to the previous page.

2 Q. Now, you were asked, I think, to do a counting exercise for  
3 the number of times you saw the word renewal.

4 Do you see anywhere the word automatic anywhere near  
5 the word renewal?

6 A. No, the word automatic is not in there.

7 Q. Now, you were also asked about unhappy customers. Do you  
8 recall that?

9 A. Yes.

10 Q. You also testified that you left the company one time  
11 initially, right?

12 A. Yes.

13 Q. And part of that was because of management issues, correct?

14 A. Correct.

15 Q. Was there another reason why you left?

16 A. Yes. Because I thought the company was lying to the  
17 customers.

18 MR. ROTH: I will object. It's beyond the scope.

19 THE COURT: I will allow it.

20 A. And, also, a policy was put into play where customers that  
21 had disability and Social Security benefits, that they could  
22 get a higher loan amount, and I know that those customers that  
23 are on a fixed income would probably not be able to pay that  
24 back.

25 Q. Now, you were also asked some questions about who was not

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Rogers - Redirect

1 on certain e-mails. Do you recall those questions?

2 A. Yes.

3 Q. Some of those questions related to the weather and things  
4 like that. Do you recall that?

5 A. Yes.

6 Q. Now, in terms of the issue of location and what you were  
7 supposed to say, if a customer service representative had said  
8 to a customer that the company's address was in Miami or  
9 Niobrara, but I'm here in Kansas, what would have happened to  
10 that customer rep?

11 A. That customer rep would get a disciplinary action up to  
12 being terminated.

13 Q. You were also asked about where you got your direction and  
14 where that direction was coming from. Do you recall that?

15 A. Yes.

16 Q. Specifically, questions about Ms. Grote, right?

17 A. Yes.

18 Q. It is the case, I think you testified, that you got your  
19 directives from her, right?

20 A. Yes.

21 Q. To your understanding, was Crystal, for the most part,  
22 making policies herself or transmitting to you and the other  
23 managers policies set by others?

24 A. I was not under the assumption that she was making them  
25 herself.

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Rogers - Redirect

1 Q. Why was that?

2 A. There would be plenty of times that she would say, well, I  
3 am going to have to run that by Scott or by legal, or I have  
4 got to talk to compliance about that, depending on what the  
5 situation was and who she needed to talk to.

6 MR. VELAMOOR: Your Honor, may we display just for the  
7 witness Government Exhibit 1914.

8 Q. Now, are you on this e-mail, Ms. Rogers?

9 A. No, I'm not.

10 Q. Have you ever seen it before?

11 A. No, I have not.

12 Q. Who is it an e-mail between?

13 A. It is from Tim Buckley to Blaine Tucker and Scott Tucker.

14 MR. VELAMOOR: The government offers 1914 pursuant to  
15 the stipulation.

16 THE COURT: Any objection?

17 MR. ROTH: We object, your Honor, in terms of  
18 relevance to this witness, her knowledge.

19 THE COURT: It's not a question of whether it's  
20 relevant to the witness.

21 MR. BATH: I object on hearsay and right to  
22 confrontation.

23 THE COURT: Let me see you at sidebar.

24 (Continued on next page)

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Rogers - Redirect

1 (At the sidebar)

2 THE COURT: Who is Tim Buckley?

3 MR. VELAMOOR: Tim Buckley was a director of  
4 operations at the company. The witness testified to that  
5 earlier. Scott and Blaine Tucker's roles have been well  
6 established.

7 THE COURT: Is he a co-conspirator?

8 MR. VELAMOOR: Tim Buckley?

9 THE COURT: Yes.

10 MR. VELAMOOR: I think this is offered for several  
11 different reasons. Obviously, it is offered for the knowledge  
12 given to the defendant, Scott Tucker. This is information  
13 provided to Scott Tucker. So it's relevant to his state of  
14 mind, information being provided to him. So I don't think we  
15 need to reach whether or not Mr. Buckley is a co-conspirator.

16 THE COURT: Let me ask you the next question.

17 What kind of stipulation is there? Is it a  
18 stipulation about authenticity or what?

19 MR. VELAMOOR: With respect to the AMG documents, we  
20 have a stipulation with respect to authenticity. Its  
21 admissibility and its relevance is established by its content,  
22 which clearly is describing issues customers are having with  
23 the pay down process to the defendant. It's relevant to his  
24 state of mind.

25 THE COURT: Let me hear from defense counsel.



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Rogers - Redirect

1 MR. GINSBERG: It wasn't my witness, but as you heard,  
2 we only stipulated as to authenticity. We don't have the  
3 parties to this e-mail. We don't have a right to confront the  
4 principal party to the e-mail. To say that this is admissible  
5 because it somehow imparted knowledge to Mr. Tucker, when we  
6 don't know that for sure, because we don't have Mr. Buckley, we  
7 don't know if Mr. Tucker received it or read it or responded to  
8 it, I think it probably can come in with some other witness,  
9 but not with some witness who has no further -- who actually  
10 has no knowledge of this, only because there is authenticity  
11 stipulation.

12 MR. VELAMOOR: This is going to come up several times  
13 in our case, where there are several e-mails involving  
14 primarily just the defendants, and their statements are  
15 obviously not hearsay, their statements are obviously  
16 admissible. But there is no rule that says we need to have a  
17 witness on the stand who is a participant in an e-mail in order  
18 for the e-mail to come into evidence. There is no  
19 confrontation clause question with respect to a statement  
20 either to the defendant or by the defendant.

21 THE COURT: Any of the prior e-mails that you  
22 introduced, was Mr. Tucker on the e-mails?

23 MR. VELAMOOR: The previous e-mails that I introduced  
24 to Ms. Rogers?

25 THE COURT: Yes.

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Rogers - Redirect

1 MR. VELAMOOR: Yes. He was copied on, I can think of  
2 at least two exchanges.

3 THE COURT: So would she have knowledge of the e-mail  
4 address customarily used by Mr. Tucker?

5 MR. VELAMOOR: First of all, my understanding is that  
6 Mr. Tucker -- I have seen several different e-mail addresses  
7 for Mr. Tucker. I have seen Scott, I have seen 500, I have  
8 seen Scott Tucker. I think the point from our perspective is  
9 these have been stipulated as authentic documents.

10 My point is his e-mail address does not appear on this  
11 document.

12 MR. GINSBERG: Just to be clear, it's not a statement  
13 of his. At most, he is copied on it. In some way or another,  
14 they are sort of arguing it is an adopted statement or  
15 admission of his because he's copied on it.

16 THE COURT: It's not a statement of Mr. Tucker's.  
17 It's not admitted as any kind of an admission by Tucker. It's  
18 not admitted so far as a statement by a co-conspirator in  
19 furtherance of the conspiracy. It would only be admissible for  
20 the limited purpose of what Mr. Tucker knew.

21 MR. GINSBERG: That's a problem, because to say that  
22 Mr. Tucker knew -- I know it's hypothetical, but this witness  
23 can't even say that Mr. Tucker knew because she knows that Mr.  
24 Tucker received it and read it and knew it.

25 THE COURT: I think we are getting caught up on the

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Rogers - Redirect

1 witness. Let's assume this witness finishes, and then the  
2 government stands up and says, I offer the document. It has  
3 nothing to do with the witness.

4 MR. GINSBERG: I think there has to be some  
5 intermediary individual who can somehow confirm Mr. Tucker  
6 received the knowledge and knew the knowledge. Otherwise we  
7 don't know that.

8 (In open court)

9 THE COURT: Ladies and gentlemen, we will be in recess  
10 for ten minutes. You may return to the jury room. Do not  
11 discuss the case among yourselves or with anybody else.

12 (Jury exits courtroom)

13 (At the sidebar)

14 MR. GINSBERG: I can take a gross example and then try  
15 to narrow it down. I know this isn't Pacer, but for better or  
16 worse, any case that I am involved in on Pacer, if there is a  
17 file on it, I get an e-mail bounce. I don't want to be held  
18 ineffective on some other case, but I don't look at every  
19 single e-mail bounce that comes to my e-mail address on every  
20 single thing that's addressed to me, and therefore I wouldn't  
21 necessarily know what was in it, and I would have no knowledge  
22 imputed to me.

23 Now, if your Honor says, well, that's too vague,  
24 that's your fault, you could have read it, that's a different  
25 story. But I think that's the nature of e-mails, especially

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Rogers - Redirect

1 when there are multiple people on the e-mails.

2 THE COURT: And it's the nature of any communication.  
3 You can mail a letter certified mail; it doesn't prove the  
4 person read it. You could mail it snail mail; it doesn't mean  
5 they read it. You can slip it under their door; it doesn't  
6 prove they read it. But it is some evidence that they were on  
7 notice of it. It doesn't prove it conclusively, period.

8 MR. GINSBERG: How does it even prove that they were  
9 on notice -- let's take your example. If they didn't receive  
10 it, they couldn't be on notice about it. And it's particularly  
11 important in this case because what we are talking about is  
12 notice which then leads to state of mind. And if you didn't  
13 read it and didn't have notice, it couldn't have affected your  
14 state of mind, which is really where they want to go with this.

15 THE COURT: Let me hear the words of the stipulation  
16 on authenticity.

17 MR. RAVI: I will get it.

18 MR. SCOTTEN: Judge, there is a second reason it's  
19 admissible. We think we have already laid the foundation, at  
20 the very least, that Tim Buckley is an employee of Scott Tucker  
21 and that he was acting within the scope of his duties. And  
22 under 801(d)(2)(D), statements of an employee acting in the  
23 scope of their duties are admissible. It's the same as a  
24 co-conspirator statement. The difference is we are not going  
25 to try to prove Buckley's mens rea here to make him a

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Rogers - Redirect

1 co-conspirator. We don't need to. He is unquestionably an  
2 employee. So a statement in the scope of his duties -- he is  
3 talking to Scott Tucker -- is admissible for the truth of the  
4 matter asserted, as well as the grounds your Honor identified  
5 separately. So it's not hearsay and it's not a confrontation  
6 clause problem.

7 MR. VELAMOOR: I placed this on the screen. I don't  
8 have a hard copy.

9 THE COURT: I will read it aloud.

10 "If called as a witness at trial, a representative of  
11 each of the following producing institutions would testify that  
12 the documents --

13 By the way, you're excused. You can step down.  
14 You're in recess.

15 (Witness exits courtroom)

16 THE COURT: -- would testify that the documents within  
17 the following Bates ranges consist of true and accurate copies  
18 of records of the institutions."

19 And the producing entity here was AMG?

20 MR. VELAMOOR: Correct.

21 MR. GINSBERG: Getting back to the last point, it  
22 sounds like they are arguing agency, that he is an employee  
23 agent, Mr. Buckley, of Mr. Tucker's AMG, but it still is not  
24 sufficient to use it for the purpose they are trying to use it  
25 for. They are not just trying to use it for the fact that it

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Rogers - Redirect

1 was said. They are trying to use it for the state of mind,  
2 which goes beyond the fact that it was said. It's almost like  
3 the division rule between admitting something for the fact that  
4 it was said versus the fact that the defendant did it or knew  
5 it or was the one who said it. Just because he is an agent,  
6 it's not an admission against him, it's not an admission of a  
7 party opponent. You don't go from agency to someone else's  
8 state of mind. That's the problem I have. I think there is a  
9 little piece missing. I hope I am articulating it correctly.

10 THE COURT: It's not conclusive on anything, and I'm  
11 not admitting it at this point for the truth of its content.  
12 But if you lay a foundation again as to who Mr. Buckley was at  
13 the time, what his responsibilities were at the time of the  
14 e-mail, that together with the stipulation, I will allow it in,  
15 and I will tell the jury that it's not for the truth of its  
16 content, but that it may bear upon the information that Mr.  
17 Tucker had at the time. Of course, the fact that an e-mail was  
18 sent does not conclusively establish that the e-mail was read.

19 We are in recess.

20 (Recess)

21 (Continued on next page)

22  
23  
24  
25

H9D8TUC5

Rogers - Redirect

1 THE COURT: Bring our jury in.

2 (Jury present)

3 KELLY ANN ROGERS, resumed.

4 THE COURT: You may continue.

5 MR. VELAMOOD: Thank you, your Honor.

6 BY MR. VELAMOOD:

7 Q. Ms. Rogers, do you know somebody by the name of Tim  
8 Buckley?

9 A. Yes.

10 Q. Who is Tim Buckley?

11 A. He would have been the director of operations for  
12 Ameriloan.

13 Q. Did you ever report to Tim Buckley?

14 A. Yes, when I first started to work there.

15 Q. How long was Mr. Buckley the director of operations for  
16 Ameriloan?

17 A. I don't know how long he had been.

18 Q. Was he director of operations when you joined the company  
19 initially?

20 A. Yes. Whenever I started in 2001, he was the director of  
21 operations that I was under.

22 Q. Did he remain in that position throughout your time at the  
23 company?

24 A. As far as I knew, yes.

25 MR. VELAMOOD: Your Honor, the government offers 1914.

H9D8TUC5

Rogers - Redirect

1 THE COURT: Subject to the discussion at the sidebar,  
2 it's received.

3 (Government's Exhibit 1914 received in evidence)

4 THE COURT: Ladies and gentlemen, this is a document,  
5 you recall the stipulation that if a witness was called the  
6 witness would testify that certain documents were true and  
7 correct copies of documents from the files of the institution  
8 referenced. And in this case, the institution is AMG, and this  
9 was produced from its files.

10 I am admitting it not for the truth of its content,  
11 but for the fact that it may bear on information that was  
12 provided to defendant Tucker. As we know from our life  
13 experience, the fact that an e-mail was sent doesn't  
14 necessarily mean it was received. The fact that it was  
15 received doesn't necessarily mean that it was read, which is  
16 true for many types of written communications. Nevertheless,  
17 Government Exhibit 1914 is received into evidence.

18 MR. VELAMOOR: Thank you, your Honor.

19 May I show it to the jury?

20 THE COURT: You may.

21 MR. VELAMOOR: Why don't we just start by expanding  
22 the top.

23 Q. Who is this e-mail from?

24 A. It's from Tim Buckley.

25 Q. To who?



H9D8TUC5

Rogers - Redirect

1 A. To Blaine Tucker and Scott Tucker.

2 Q. What is the subject?

3 A. It says "idea."

4 Q. Why don't we one paragraph at a time expand it and read  
5 through it slowly for the jury.

6 A. It says, "90 of the issues we have with customers stem from  
7 them not understanding our process of renewals and pay downs.  
8 We are constantly battling with them because they don't get it.  
9 My proposal is this: Pay down the customer \$25 every pay  
10 period from the first due date. Here is how it boils down."

11 Q. Move to the next paragraph, please.

12 A. "Current method: \$250 loan: \$75" -- I am guessing that's  
13 just the service fee.

14 Q. Just read it, please.

15 A. "\$75 - \$75 - \$75 - \$125 - \$110 - \$95 - \$80- \$65 equals  
16 \$775."

17 Q. The next line, just read it.

18 A. "Proposed method: \$250 loan: \$100 - \$92.50 - \$85 - \$77.50  
19 - \$70 - \$62.50 - \$55 - \$47.50 - \$40 - \$32.50 equals \$662.50."

20 Q. Go to the next paragraph.

21 A. "I know this does not appear as profitable as the current  
22 method, but the fact that the average loan only goes four pay  
23 periods would make up a large part of the difference since we  
24 would collect more in those periods."

25 "We are actively trying to reduce the customer's

H9D8TUC5

Rogers - Redirect

1 principal on every transaction which makes us look better than  
2 the current method, and I think reduce the issues we are  
3 currently having within the companies."

4 "Just throwing it out there for you to chew on."

5 Q. What is the date on this e-mail?

6 A. It is November 14, 2006.

7 THE COURT: You were not copied on this e-mail?

8 THE WITNESS: No, I was not.

9 THE COURT: Thank you.

10 Q. Now, the current method that is listed on the e-mail, is  
11 that consistent with your understanding of how the renewal  
12 process worked on a \$250 loan?

13 A. Yes.

14 Q. To your knowledge, was the proposed method ever adopted by  
15 the company?

16 A. No.

17 MR. GINSBERG: Objection, your Honor. She was only  
18 there for certain periods of time.

19 THE COURT: Focus your question.

20 Q. At any time while you were at the company, were you aware  
21 of the proposed method ever being adopted?

22 A. No.

23 Q. You were also asked questions about the issue of what  
24 customer service representatives were saying about their  
25 location. Do you recall that?

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Rogers - Redirect

1 A. Yes.

2 Q. You were also asked about meetings and discussions that you  
3 were not a part of. Do you recall that?

4 A. Yes.

5 MR. VELAMOOR: Your Honor, for similar reasons, the  
6 government offers 1707.

7 THE COURT: Any objection?

8 Let me see it up on the screen.

9 How does this relate to the cross-examination?

10 MR. VELAMOOR: Your Honor, the cross-examination  
11 focused on the extent to which instructions were coming solely  
12 from Ms. Grote, without the either direction or knowledge of  
13 anyone above Ms. Grote. It also discussed the extent to which  
14 Ms. Grote was forming policies or simply implementing other's  
15 policies. This e-mail, among others, certainly pertains to  
16 that, to the extent to which things were coming with either the  
17 knowledge or the direction from those above.

18 THE COURT: Any objection from defendants?

19 MR. GINSBERG: Yes. Based on your question,  
20 notwithstanding the response, and yes, based on our -- if your  
21 Honor is inclined to admit it, I think it's in the same  
22 category as the previous exhibit. And I believe, just to  
23 shorten this, I believe there may be another.

24 THE COURT: Is there another one?

25 MR. GINSBERG: Another one?

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Rogers - Redirect

1 THE COURT: Yes.

2 MR. VELAMoor: Correct. Although the other one  
3 includes some statements by one of the defendants.

4 MR. GINSBERG: The first objection we would have  
5 outside the scope, and secondly, the other objection we raised  
6 before.

7 Mr. Bath, I think, may have a separate objection  
8 because I am not sure that his -- on this one it does, but I  
9 think there were some where his client's name does not appear.  
10 So that's a separate issue.

11 THE COURT: Overruled. It's received into evidence.

12 (Government's Exhibit 1707 received in evidence)

13 MR. VELAMoor: May I show it to the jury?

14 THE COURT: Yes.

15 BY MR. VELAMoor:

16 Q. Ms. Rogers, do you know who Glenn Fisher is?

17 A. I know of him.

18 Q. What do you know of him?

19 A. That he was an employee at AMG. I am just not sure of what  
20 his title was.

21 MR. VELAMoor: We enlarge initially Glenn Fisher's  
22 e-mail, please.

23 Why don't you just start with the top part.

24 A. You want me to read it?

25 Q. No. The enlarging part.

H9D8TUC5

Rogers - Redirect

1           So this is an e-mail from Mr. Fisher to several  
2 people, right?

3 A. Yes.

4 Q. Who is this e-mail addressed to?

5 A. It's addressed to Blaine Tucker, Tim Muir, Tim Buckley,  
6 Crystal Cram, Natalie Dempsey, Ed Cross, and Chris Becker.

7 Q. What is the subject?

8 A. Compliance review.

9 Q. Again, you were not copied on this e-mail, correct?

10 A. No, I was not.

11 Q. Have you ever seen this e-mail before?

12 A. No.

13 Q. Let's start with the body of that e-mail.

14           THE COURT: It's now in evidence. We are not engaged  
15 in a reading exercise. If you want to highlight portions, the  
16 jury can read it.

17           MR. VELAMOOR: Can we highlight number 1.

18           Can we highlight number 3.

19 Q. Now, Ms. Rogers, at the company, what was understood to be  
20 the city and state of each loan portfolio?

21           THE COURT: If there was an understanding.

22 A. It would have been Niobrara, Nebraska, or Miami, Oklahoma.

23           MR. VELAMOOR: Can we highlight number 4, please.

24           Can we turn to the next page at the bottom, number 14.

25           Onto the next page, please, to number 15.

H9D8TUC5

Rogers - Redirect

1 Turn to the next page, please, and highlight number  
2 19.

3 BY MR. VELAMOOD:

4 Q. Ms. Rogers, at any time when you were at the company, did  
5 you know anyone by the name of Tim Meir, M-E-I-R?

6 A. Yes, I knew of him.

7 Q. Spelled M-E-I-R?

8 A. Sorry. No. Sorry.

9 MR. VELAMOOD: Can we turn to Government Exhibit 1915,  
10 please.

11 Sorry. Can we go back quickly to 1707, the very top  
12 of the first page, please.

13 Q. Who does Blaine Tucker forward this e-mail to?

14 A. Scott Tucker.

15 Q. Thank you.

16 MR. VELAMOOD: Your Honor, can we put 1915 up.

17 Your Honor, again, for similar bases, the government  
18 offers 1915.

19 THE COURT: Any objection?

20 MR. GINSBERG: We just make the same objections as  
21 before, your Honor.

22 THE COURT: Overruled.

23 (Government's Exhibit 1915 received in evidence)

24 THE COURT: These are subject to the same instructions  
25 that I gave you before. They are not for the truth of the

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Rogers - Redirect

1 content, but the fact that they were said and the fact that it  
2 may bear on what information was made known to one or the other  
3 defendant.

4 Go ahead.

5 MR. VELAMOOR: Your Honor, the middle e-mail actually  
6 is a statement by the defendant.

7 MR. BATH: I object to them showing the middle of the  
8 e-mail if it's going to be attributed to Mr. Muir.

9 MR. VELAMOOR: I am not publishing it. I am just  
10 showing it to the judge.

11 THE COURT: So a statement by a party can be and is  
12 admissible against the party. And to the extent there is a  
13 statement by Mr. Muir, you can consider that statement against  
14 Mr. Muir.

15 Go ahead.

16 MR. VELAMOOR: Could we start at the bottom e-mail on  
17 the first page. And just enlarge the signature part.

18 Q. This is an e-mail from Christian Corley to Tim Muir,  
19 copying Glenn Fisher, correct?

20 A. Correct.

21 Q. October 11, 2007?

22 A. Yes.

23 MR. VELAMOOR: Turn over to the next page. And just  
24 highlight and enlarge each paragraph.

25 THE COURT: OK.

H9D8TUC5

Rogers - Recross

1 MR. VELAMOOR: Onto the next one, please.

2 OK.

3 OK. All the way to the bottom.

4 Can we now go to the previous page, please. And just  
5 highlight the middle e-mail.

6 Then the e-mail at the top.

7 OK. You can take it down.

8 No further questions, your Honor.

9 THE COURT: All right. You may step down. Thank you.

10 MR. BATH: Your Honor, because that was a new  
11 document, am I able to ask her a couple of questions.

12 THE COURT: You may. Sure.

13 MR. BATH: Can you put 1915 back up, please.

14 RECROSS-EXAMINATION

15 BY MR. BATH:

16 Q. Mr. Muir replies there, Ms. Rogers, and talks about first  
17 party collector.

18 MR. BATH: Can we highlight that response?

19 Q. You see that language "first party collector"?

20 A. OK. Yes.

21 Q. When you had training, did you have any training on the  
22 difference between whether you're trying to collect on your own  
23 loan or a second party's loan? Do you know anything about that  
24 at all?

25 A. No, I don't.



H9D8TUC5

Bradley - Direct

1 MR. BATH: That's all I have. Thank you very much.

2 THE COURT: Anything further, Mr. Roth or Mr.

3 Ginsberg?

4 MR. ROTH: No.

5 THE COURT: You may step down.

6 (Witness excused)

7 THE COURT: Call your next witness.

8 MR. VELAMoor: The government calls Russell Bradley.

9 RUSSELL BRADLEY,

10 called as a witness by the government,

11 having been duly sworn, testified as follows:

12 THE DEPUTY CLERK: State your name, spell it for the  
13 record, please.

14 THE WITNESS: My name is Russell Bradley, Russell A.  
15 Bradley.

16 DIRECT EXAMINATION

17 BY MR. VELAMoor:

18 Q. Good afternoon, Mr. Bradley.

19 Where were you born?

20 A. I was born in St. Joe, Missouri.

21 Q. Is that short for St. Joseph?

22 A. Yes.

23 Q. How far did you go in school?

24 A. I went through two years of college, business college.

25 Q. Are you a member of any Native American tribes?

H9D8TUC5

Bradley - Direct

1 A. Yes. I am a member of the Kickapoo tribe of Kansas.

2 Q. When did you finish your schooling?

3 A. I finished my business college at Haskell Institute in  
4 1962.

5 Q. After you finished, what did you do next?

6 A. I took a job with an oil company in Dallas, Texas, later  
7 got drafted in the United States Army, and then moved to  
8 California, San Jose, California, where I worked as an  
9 accountant for a brewing corporation.

10 Q. How long did you do that for?

11 A. I was there for five years.

12 Q. Approximately what year are we up to now?

13 A. I left there in 1971.

14 Q. After that, what did you do?

15 A. I went to work for some Indian tribes in North and South  
16 Dakota. I worked for virtually every Indian tribe in North and  
17 South Dakota for a period of four years.

18 Q. After that?

19 A. I went to work for the federal government as an agency  
20 superintendent for the Department of Interior.

21 Q. Any particular part of the Department of Interior?

22 A. Yes. I was a superintendent, an agency superintendent in  
23 five different agencies throughout the United States over 27  
24 years.

25 Q. Briefly, what is an agency superintendent?

H9D8TUC5

Bradley - Direct

1 A. An agency superintendent is a federal manager who handles  
2 all kinds of activities within each reservation. I ran law  
3 enforcement. I ran education. I ran social services. I  
4 managed over six million acres of land for the Department of  
5 Interior. I ran social services, leasing and buying of lands,  
6 and the maintenance of government facilities.

7 THE COURT: What does the Department of Interior have  
8 to do with Indian affairs?

9 THE WITNESS: The Bureau of Indian Affairs is a branch  
10 of the Department of Interior.

11 Q. You also mentioned that you were a member of the Kickapoo  
12 tribe?

13 A. Yes.

14 Q. You also served as an officer or a member of the tribal  
15 council for that tribe?

16 A. I held a number of positions over the last 15 years with  
17 the tribe.

18 Q. What are some of the positions that you have held?

19 A. I have been treasurer, going on my fourth year, and it's  
20 the third time I have been treasurer. I have been chairman  
21 twice and I have been vice chairman once.

22 Q. Let me turn your attention to around 2003. Did you have a  
23 position at the tribe around that time?

24 A. Yes. I became -- I got elected to the tribal council and  
25 became the tribal treasurer.

H9D8TUC5

Bradley - Direct

1 Q. During that period, did the tribe receive a proposal about  
2 a business opportunity relating to payday lending?

3 A. Yes, we did.

4 Q. How did that make its way to the tribe?

5 A. It came to us in a proposal through one of our business  
6 managers who runs economic development for the tribe and the  
7 owner of the payday loan corporation, and they proposed to  
8 us -- they wanted to partner with us.

9 Q. You mentioned two people. Who is the owner of the payday  
10 lending company?

11 A. Scott Tucker.

12 Q. Who was the other person?

13 A. A guy named Jerry Aday; he was the business manager for our  
14 enterprise development on the reservation.

15 Q. What did Mr. Aday do in that job?

16 A. He managed four other enterprises that we had ongoing on  
17 the reservation: A construction company, we ran a truck plaza  
18 and a trading post and a farm, which is farming about 1600  
19 acres of land.

20 Q. You mentioned that the two of them brought a proposal to  
21 the tribe. Did they come to a meeting and present it?

22 A. What's that?

23 Q. Did those two gentlemen, Mr. Tucker and Mr. Aday, present  
24 their proposal to the tribe?

25 A. Yes, they did.

H9D8TUC5

Bradley - Direct

1 Q. Specifically, which body of the tribe?

2 A. It was to the tribal council.

3 Q. What was the proposal that they made?

4 A. The proposal was to go into business with the tribe so that  
5 they could establish a payday loan business, using the tribe as  
6 an umbrella to get around state regulatory activities.

7 (Continued on next page)

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H9d1tuc6

Bradley - Direct

1 BY MR. VELAMMOOR:

2 Q. So according to the presentation, was Mr. Tucker already in  
3 the payday lending business?

4 A. Yes. He -- he was the owner and the person who was putting  
5 up the money to make it work.

6 Q. And you said that you -- that the idea was to get an  
7 umbrella. Can you explain what you meant by that.

8 A. The tribe has sovereign immunity and its own -- that  
9 they're not under state jurisdiction over civil issues, so with  
10 that, within the reservation boundary, we're exempt from any  
11 kind of state regulatory activity.

12 Q. And so what, if anything, did Mr. Tucker and Mr. Aday say  
13 in the meeting about why they were interested in partnering  
14 with the tribe?

15 A. It was mainly because they wanted to get around the  
16 activity of the states establishing more regulation to deal  
17 with the payday loan type businesses.

18 Q. Okay. Did they say how much this opportunity would cost  
19 the tribe?

20 A. It wouldn't cost the tribe anything.

21 Q. Who said that at the meeting?

22 A. Mr. Tucker.

23 Q. And was that important to the tribe's consideration of  
24 the --

25 A. Oh, yes. We didn't, you know -- it brought the tribe

H9d1tuc6

Bradley - Direct

1 something for nothing is what it amounted to.

2 Q. And did the tribe have money that it could have put up for  
3 something like this?

4 A. No.

5 Q. Was there any discussion about whether there were any other  
6 tribes who were interested in a similar partnership?

7 A. They explained that if we didn't want to partner with them  
8 that there were other tribes in northeast Oklahoma that were  
9 interested in a venture like this.

10 Q. And was there any discussion about what the tribe could get  
11 out of it?

12 A. That we'd be guaranteed \$20,000 a month, plus anything  
13 over -- a percentage over \$2 million in lending per month.

14 Q. Now was the idea that this would be a tribal, tribally  
15 owned business?

16 A. Yes, it would be. It would have to be considered as a  
17 tribally owned business in order to get around state type  
18 regulation.

19 Q. And now according to Mr. Tucker's proposal, in what way was  
20 this going to be a tribal or tribally owned business?

21 A. That we would be the owners and that they would be the  
22 managers of the company, they'd put up the money and -- and  
23 they would make us a regular check every month.

24 Q. But in what way would the tribe be the owners of this  
25 company?

H9d1tuc6

Bradley - Direct

1 A. What's that now?

2 Q. In what way would the tribes be the owners of the company?

3 A. Well, they -- according to the documents that were signed,  
4 it says that the tribe would be the owners. It's -- they would  
5 be incorporated under the tribe.

6 Q. Apart from documents, was there any other way in which the  
7 tribe --

8 A. No.

9 THE COURT: I didn't hear your question.

10 Q. Apart from the documents, was there any other way that the  
11 tribes were going to be owners of the business?

12 A. There were none.

13 Q. Now was there any discussion about what activity in the  
14 business would actually take place on tribal land?

15 A. There would be no activity other than the fact they knew  
16 they had to establish an office on a reservation in order to  
17 show that they were operating from a reservation and that that  
18 would be the main thing. I did not -- and I -- at the time of  
19 the meeting, I chose that they not set up a lending office on a  
20 reservation because I felt it was vulnerable to the members. I  
21 don't -- I don't necessarily buy payday lending or loan  
22 sharking or anything like that as a person.

23 MR. ROTH: Objection, your Honor.

24 THE COURT: Sustained. Stricken. Go ahead.

25 Q. Let me show you what's been marked as Government



H9d1tuc6

Bradley - Direct

1 Exhibit 208.

2 Mr. Bradley, have you had a chance to take a look at  
3 208?

4 A. Yes, I have.

5 Q. What is 208?

6 A. 208 is a proposed agreement between Fast Cash Lending  
7 Company and the Kickapoo tribe in which they are proposing to  
8 go into an agreement to pay \$20,000 a month for the purpose of  
9 establishing this payday loan business.

10 Q. Okay. Now this relates to the payday business we've been  
11 talking about today?

12 A. What's that?

13 Q. Does this relate to the payday business we've been talking  
14 about today?

15 A. Yes.

16 MR. VELAMoor: Your Honor, the government offers 208.

17 THE COURT: Any objection?

18 MR. ROTH: No, your Honor.

19 THE COURT: Received.

20 (Government's Exhibit 208 received in evidence)

21 MR. VELAMoor: Could we show it to the jury and start  
22 on the last page.

23 BY MR. VELAMoor:

24 Q. Who was this document signed by?

25 A. I don't know that signature. It's Scott Tucker's, I

H9d1tuc6

Bradley - Direct

1 assume.

2 Q. What's written below the signature?

3 A. National Money Service.

4 Q. Is there a name above it?

5 A. Scott Tucker, President.

6 Q. And let's go back to the first page.

7 A. Yes.

8 Q. What's the date on this?

9 A. September the 24<sup>th</sup>, 2003.

10 MR. VELAMOOR: Okay. Now could we just highlight the  
11 first paragraph, please.

12 Q. Can you read that paragraph.

13 A. "I am the founder and president of National Money Service,  
14 a highly successful corporation that has been involved in the  
15 payday loan business throughout the United States for the past  
16 six years. National Money Service, Inc. employs nearly 300  
17 people and has its principal offices in Mission, Kansas near  
18 the Interstate 35 on Metcalf Avenue."

19 Q. And can we focus on the middle part of this paragraph --  
20 the second paragraph, please.

21 A. "The National Money Service markets short-term loans to  
22 individuals throughout the entire United States via radio, TV,  
23 newspaper, direct mail, internet, which is typically repaid  
24 within 17 days --"

25 THE COURT: You have to slow down, sir, because that

H9d1tuc6

Bradley - Direct

1 nice young lady there is taking this all down.

2 THE WITNESS: Oh. I'm nervous, your Honor. That's  
3 all.

4 THE COURT: No, that's all right. So we're going to  
5 try and make it a little easier for her. Thank you.

6 THE WITNESS: Should I start again, sir?

7 THE COURT: Do you have it?

8 THE REPORTER: Just continue after "17 days."

9 A. "-- within 17 days and involves loans varying from \$100 to  
10 \$500."

11 Q. Stop there for a second.

12 Okay. Go ahead.

13 A. "The money loaned to an individual is electronically  
14 transferred to that person's bank account where the customer  
15 deposits his paycheck."

16 Q. And after that does it say on the agreed repayment date,  
17 typically their pay date, the amount of the loan plus the fee  
18 are electronically transferred to National Money Service by  
19 prior written agreement? Do you see that?

20 A. Yes.

21 Q. Okay. Now it then goes on to talk about the proposed  
22 agreement with the Kickapoo tribe. So I believe it says,  
23 "National Money Service hereby proposes to enter into a written  
24 agreement with the Kickapoo tribe in Kansas whereby the tribe  
25 will become an authorized lender and earn substantial income

H9d1tuc6

Bradley - Direct

1 while relying upon an authorized subsidiary of National Money  
2 Service to provide not only the capital to fund all loan  
3 transactions and working capital requirements but also the  
4 personnel, equipment, and knowledge to make the business an  
5 immediate success." Do you see that?

6 A. Yes.

7 Q. Is that consistent with the proposal that Mr. Tucker made  
8 at the meeting?

9 A. Yes.

10 Q. Is that a type of proposal he described as something for  
11 nothing, from the tribe's perspective?

12 A. Yes. Yes, it is.

13 Q. So turn to the next page, Part 3.

14 "The tribe and the proposed tribal entity will not be  
15 required to provide any investment, cash, or its equivalent and  
16 will not be responsible for any losses." Do you see that?

17 A. Yes.

18 Q. And the next paragraph, I believe you talked about the  
19 financial arrangement earlier?

20 A. Yes.

21 Q. And you mentioned a minimum \$20,000 per month. Do you see  
22 that?

23 A. Yes.

24 Q. And in addition to the \$20,000, you also talked about a  
25 percentage of gross revenues. Do you see that?

H9d1tuc6

Bradley - Direct

1 A. Yes.

2 Q. And that's written here as well. "The contract will set  
3 forth an agreed percentage of gross revenue as the tribe's fee,  
4 which is estimated to be as much as 40,000 per month within the  
5 term of the agreement."

6 Okay. Now there's also -- the last one is Part 6. Do  
7 you see Part 6?

8 A. Yes.

9 Q. And you mentioned before that there was some thought of  
10 setting up some kind of office on tribal land. Do you recall  
11 that?

12 A. Yes.

13 Q. Does this relate to that topic?

14 A. Yes, it does.

15 Q. Okay. It talks about incorporating and providing office  
16 space on tribal land. "The tribe must designate at least two  
17 individuals to serve as officers and to be responsible for  
18 working with UMS." Do you see that?

19 A. Yes.

20 Q. So we can put that document aside. This is obviously the  
21 proposal that Mr. Tucker made, correct?

22 A. Yes, it is.

23 Q. Now what was your impression of the proposal?

24 A. Well, to me, it was -- it sounded like a good deal, but at  
25 the same token it was still getting something for nothing.

H9d1tuc6

Bradley - Direct

1 Q. Now did you support the Kickapoo tribe forming an agreement  
2 with Mr. Tucker?

3 A. No, I had -- no, I didn't.

4 Q. You were on the tribal council?

5 A. Yes, I was.

6 Q. Which way did you vote?

7 A. I voted no.

8 Q. What did the council as a whole ultimately decide to do?

9 A. Well, this was proposed to us on this date, but it was  
10 brought back to us three, four months later.

11 Q. And what did the council ultimately decide to do?

12 A. They ultimately decided to -- the vote was two to two, and  
13 the chairman said yes so the vote was yes, they went into  
14 business with this -- with this corporation.

15 Q. Okay. Let me show you what's been marked as Government  
16 Exhibit 201.

17 All right. What is 201?

18 A. 201 is a service agreement with -- between the tribe and  
19 the Universal Management Services, Incorporated.

20 Q. Okay. And whose company was Universal Management Services?

21 A. What's that now?

22 Q. Whose company, whose company was Universal Management?

23 A. Scott Tucker's company.

24 MR. VELAMOOR: Now, your Honor, the government offers  
25 201.

H9d1tuc6

Bradley - Direct

1 THE COURT: Any objection?

2 Received.

3 (Government's Exhibit 201 received in evidence)

4 Q. Now, Mr. Bradley, this is not a signed version of the  
5 agreement, correct?

6 A. Yes, it's true, it's not a signed version.

7 Q. Was there a signed version available at some point?

8 A. There should have been. I haven't found one.

9 Q. Now let me just turn to the second page, the seventh  
10 paragraph, the fee agreement.

11 Okay. Does that paragraph say that UMS will pay the  
12 tribe a minimum fee of 20,000 and 00/100, \$20,000 per month  
13 while the agreement is in force, with a maximum fee equal to  
14 1 percent of the gross collected revenue of the payday loan  
15 operation?

16 A. Yes.

17 Q. Was that essentially the financial terms of the arrangement  
18 the tribe entered into with Mr. Tucker?

19 A. Yes, that was the arrangement.

20 Q. Okay. Paragraph 12 and 13. Bottom.

21 Okay. So under Investment and Risk, do you see that?

22 A. Yes.

23 Q. "The tribe shall have no obligation to invest money or pay  
24 expenses of the operation except for its office expenses on the  
25 reservation and the salary and expenses of its administrators."

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Bradley - Direct

1 Do you see that?

2 A. Yes.

3 Q. And Indemnification. "UMS does hereby indemnify --" do you  
4 know what that means, by the way, to indemnify?

5 A. Means exempt us from any -- they would take the -- they  
6 would take the cost of any -- anything that would -- that went  
7 wrong.

8 Q. "UMS does hereby indemnify the tribe against all loss,  
9 damage, and expense arising out of the payday loan business  
10 except for intentional wrongdoing on the part of the tribe."

11 And then if you read further on, "In particular, UMS  
12 will, in the event of any claim, suit, administration --  
13 administrative action, or other adverse action against the  
14 tribe or KLC, Inc., secure the services of an attorney and pay  
15 that attorney to defend any and all matters alleged." Do you  
16 see that?

17 A. Yes.

18 Q. Now there's a reference there to KLC, Inc. What was KLC,  
19 Inc.?

20 A. Kickapoo Loan Corporation. I believe that's what it was.  
21 That's what I always referred to it as Kickapoo Loan.

22 Q. Was that the tribal corporation of the company?

23 A. Yes, that was the tribal corporation.

24 Q. Now apart from the agreement that I've shown you, are you  
25 aware of any other agreement that the tribe entered into with



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Bradley - Direct

1 Mr. Tucker or any of his businesses?

2 A. I'm not aware of any other agreements, no.

3 Q. Are you aware of any agreement by which the tribe purchased  
4 or acquired any part of Mr. Tucker's business?

5 A. No. I'm not aware of that.

6 Q. So after entering into the agreement, what did the tribe  
7 set up on its land?

8 A. The business office that was created for the purpose of  
9 their organization was -- actually a computer setup was put in  
10 our attorney's office, which would give us supposedly financial  
11 data about the business. There were no staff, no other people  
12 to manage it. It was put there.

13 Q. And so you said "supposedly." What was this computer used  
14 for?

15 A. There were financial reports that had come through there,  
16 but I wasn't sure exactly what they were. I got -- I got to be  
17 able to observe them at one time, but like I say, we had no one  
18 who manages them, so we couldn't interpret what was coming  
19 from -- coming through them except that was supposed to be the  
20 office of their business.

21 Q. So was that office used for anything related to the  
22 business?

23 A. No.

24 Q. And did anyone provide any training to any tribal members  
25 on how to either use the computer or do anything in that

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Bradley - Direct

1 office?

2 A. No, there was no training, or person trained to run that  
3 system.

4 Q. Showing you what's been marked Government Exhibit 202.

5 Have you had a chance to look at 202?

6 A. Yes.

7 Q. What is it?

8 A. It's a special power of attorney of corporate resolution  
9 which was granted to Scott Tucker, Universal Management  
10 Services by Steve Cadue, the tribal chairman of the Kickapoo  
11 tribe.

12 Q. Do you recognize Mr. Cadue's signature?

13 A. Yes, I do.

14 MR. VELAMoor: Your Honor, the government offers 202.

15 MR. ROTH: No objection.

16 THE COURT: Received.

17 (Government's Exhibit 202 received in evidence)

18 MR. VELAMoor: Okay. Could we show 202 to the jury,  
19 please, Ms. Grant.

20 Okay. So let's focus on the top part of the document.

21 BY MR. VELAMoor:

22 Q. Okay. It says it's special power of attorney and corporate  
23 resolution granted to Scott Tucker, Universal Management  
24 Services, and NM Service Corp. Do you see that?

25 A. Yes.

H9d1tuc6

Bradley - Direct

1 Q. And what's the purpose of this document?

2 A. It serves as a -- as a -- as a tribal endorsement of Scott  
3 Tucker's handling -- or attorney in fact for the benefit of  
4 this payday -- or Universal Management Services Incorporated.

5 Q. And if you look at paragraph 1, does it relate to any  
6 particular issues? Do you see that?

7 A. Oh, paragraph 1? Okay.

8 Authorizes him to open up a checking account on behalf  
9 of the corporation.

10 Q. And a checking account where?

11 A. At US Bank.

12 Q. Okay. Was that a bank on Kickapoo tribal land?

13 A. No.

14 Q. And it says, "Open, maintain and operate a checking account  
15 at US Bank and any other qualifying and acceptable bank for the  
16 purpose of depositing and expending funds to facilitate the  
17 operation of KLC, Inc." Do you see that?

18 A. Yes.

19 Q. Okay. We can come out of that.

20 So who handled the banking issues for the payday  
21 lending partnership with Mr. Tucker?

22 A. It would be Mr. Tucker and his organization.

23 Q. So I believe you mentioned that the tribe opened, created a  
24 tribal corporation, correct?

25 A. Yes.

H9d1tuc6

Bradley - Direct

1 Q. And that was KLC, Inc.?

2 A. Yes.

3 Q. And were you an officer of that corporation?

4 A. No, I wasn't.

5 Q. Apart from creating that corporation, what else did the  
6 tribe do in connection with this business?

7 A. Actually, nothing.

8 Q. Did you ever go to Mr. Tucker's office?

9 A. Yes. They invited us down to do the walkthrough, and  
10 several of us council people went down to see their offices,  
11 which they had about 3 or 400 people employed.

12 Q. Where was that office?

13 A. It was in Overland Park, Kansas, as I recall.

14 Q. What do you recall seeing when you went there?

15 A. What's that now?

16 Q. What do you recall seeing when you went there?

17 A. Oh, we saw a number of people working. I guess they were  
18 processing loans. I have no idea what they were doing.

19 Q. Did anyone from there train any tribal people on what they  
20 were doing?

21 A. No, but they had mentioned they would offer the opportunity  
22 to members if they wanted to go to work there.

23 Q. Did that ever happen?

24 A. No.

25 Q. Now did the tribe receive monies in this arrangement?

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Bradley - Direct

1 A. Oh, yeah, we did. Once the business was established or  
2 agreement was done, we were getting \$20,000 plus a month.

3 Q. And how did the tribe receive that money?

4 A. They got -- they received a check monthly, which  
5 probably -- it did have some identification over amount of  
6 loans that were made versus the check itself, 20,000 plus  
7 1 percent over 2 million.

8 Q. So I showed you what's been marked as Government  
9 Exhibit 203. Do you see that?

10 A. Yes.

11 Q. What is it?

12 A. It's a check from KLC Management, LLC.

13 Q. And did you see checks like this from time to time  
14 resulting from the relationship with Mr. Tucker?

15 A. Yes. I went out of office three months prior, or four  
16 months prior to this check, but I did see checks of this nature  
17 had come to the tribe.

18 MR. VELAMOOR: And your Honor, the government offers  
19 203.

20 THE COURT: Any objection?

21 MR. ROTH: No, your Honor.

22 THE COURT: Received.

23 (Government's Exhibit 203 received in evidence)

24 MR. VELAMOOR: And may we show it to the jury.

25 THE COURT: You may.

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Bradley - Direct

1 MR. VELAMOOR: Ms. Grant. It's a little bit hard to  
2 tell, so why don't we just, first of all, zoom in on the top  
3 left.

4 BY MR. VELAMOOR:

5 Q. Where the money is coming from, do you see that?

6 A. Yes.

7 Q. What does that say?

8 A. The KLC Management, LLC, Overland Park, Kansas.

9 Q. CLK, right?

10 A. Yes, CLK, yes.

11 Q. And this check is paid to which entity?

12 A. What's that? Could you --

13 MR. VELAMOOR: Could you zoom back out and go to the  
14 To line, please.

15 Okay.

16 A. It was payable to the KLC.

17 Q. Okay. And can you tell from the top there which bank this  
18 check is drawn on?

19 A. It's drawn on US Bank.

20 Q. And we won't try to read the number from there, but there's  
21 a memo on the bottom left.

22 MR. VELAMOOR: Can you zoom in on the memo.

23 Q. And what --

24 A. 2005 tribal management fees.

25 Q. January 2005?

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Bradley - Direct

1 A. Yes, January 2005.

2 MR. VELAMoor: Okay. All right. And I believe the  
3 amount is clearer on the bottom, so why don't we zoom in on the  
4 payment on the bottom right.

5 A. \$32,172.47?

6 Q. Yes.

7 A. Yes.

8 Q. Now did the tribe get any financial information from time  
9 to time from Mr. Tucker?

10 A. They were -- we were able to get from time to time, yes, a  
11 listing of the amount of monies that they had loaned on a  
12 monthly statement to reflect how much our benefit was from  
13 those loans.

14 Q. Or in other words, to reflect what the 1 percent came from?

15 A. Yes.

16 Q. Show you what's been marked as Government Exhibit 204.

17 What is that, 204?

18 A. It's a Preferred Cash Loan statement of -- for January 2005  
19 report from the KLC Incorporated.

20 Q. Is this one of the financial summaries that the tribe  
21 received?

22 A. Yes.

23 MR. VELAMoor: Your Honor, the government offers 204.

24 MR. ROTH: No objection.

25 THE COURT: Any objection?

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Bradley - Direct

1 MR. ROTH: No, your Honor.

2 THE COURT: Received.

3 (Government's Exhibit 204 received in evidence)

4 MR. VELAMOOR: And why don't we just zoom in on the  
5 top.

6 BY MR. VELAMOOR:

7 Q. Okay. The heading says KLC, Inc., d/b/a Preferred Cash  
8 Loans, January 2005 report. Do you see that?

9 A. Yes.

10 Q. Do you know what Preferred Cash Loans was?

11 A. That's the -- the lending corporation of Scott Tucker,  
12 management services.

13 Q. Why don't we focus on the -- just one, the total of the  
14 daily gross loan fees collected.

15 A. The total is \$3,217,247 for the month.

16 Q. And am I right the check that you just looked at before,  
17 203 --

18 MR. VELAMOOR: If you put that back up on the screen.  
19 Or you could put it next to it, actually. That would be  
20 easier.

21 Q. So the amount of the check was 32,172, right?

22 A. Yes.

23 Q. So it's about 1 percent of the 3.217 million?

24 A. Yes.

25 Q. Now did you have any way of -- or did the tribe have any



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Bradley - Direct

1 way of checking if the information on 204 was correct for  
2 Preferred Cash Loans?

3 A. Not that I'm aware of.

4 Q. Did it have any of the records that it could have used to  
5 check that?

6 A. No. We had -- we don't have a record to show how they  
7 would accumulate all of their loans.

8 Q. Show you what's been marked as 205. What is 205?

9 A. It's a corporate fax that came from -- it's the  
10 commercial -- commercial services from US Bank.

11 Q. Okay. Does it list KLC, Inc. on it anywhere?

12 A. Yes. There's a list of transactions that were taken in  
13 during the period of March 2004.

14 MR. VELAMOOR: Your Honor, the government offers 205.

15 THE COURT: Any objection?

16 MR. ROTH: No, your Honor.

17 THE COURT: Received.

18 (Government's Exhibit 205 received in evidence)

19 MR. VELAMOOR: Okay. Could we just highlight the top.

20 BY MR. VELAMOOR:

21 Q. That's from corporate legal relating to US Bank, right? US  
22 Bank I think is above that.

23 A. Yes.

24 Q. And there's a list of entities, various d/b/a's below.

25 MR. VELAMOOR: That's good. Can you go down to the

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Bradley - Direct

1 list, highlight the entities, or expand the entities below.

2 Q. Okay. Do you see the various different d/b/a's listed  
3 there?

4 A. Yes.

5 Q. Listed there? And indications that accounts were opened in  
6 March 8, 2004?

7 A. Yes.

8 Q. Do you recall seeing any checks or anything relating to any  
9 of these d/b/a's other than Preferred Cash?

10 A. No.

11 Q. Did you ever become aware that the Colorado Attorney  
12 General had served subpoenas on the Kickapoo's loan business?

13 A. No, I'm not.

14 Q. If that had happened to one of the tribe's businesses,  
15 would you have expected to know about that?

16 A. Yes, I would have expected to be known about that.

17 Q. So how long did the relationship with Mr. Tucker continue  
18 for?

19 A. It -- it ran into the early part of 2005. I wasn't on the  
20 tribal council when it was terminated, and I haven't been able  
21 to find out any information about it.

22 Q. Have you looked into any documentation that exists that may  
23 relate to how the relationship ended?

24 A. I've attempted to find that documentation through our legal  
25 files and other things working with our attorney, and I have

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Bradley - Direct

1 found nothing about the termination agreement.

2 Q. Okay. Or whether there even was one?

3 A. Or even if there was one.

4 Q. Have you ever been able to find out anything about what  
5 happened to any US Bank accounts relating to KLC?

6 A. No, I haven't been able to find out anything about the  
7 business.

8 Q. By the way, at any point did the tribe end up with any kind  
9 of windfall of money that may have been in any KLC bank  
10 accounts from the business?

11 MR. ROTH: Objection to the characterization.

12 THE COURT: Yes. Rephrase your question.

13 MR. VELAMOOR: Certainly, your Honor.

14 Q. Do you recall if, at the end of the relationship with  
15 Mr. Tucker, the tribe ended up with any money that was in KLC  
16 bank accounts?

17 A. No. There was no money.

18 Q. So did the tribe ever receive any money from the business  
19 other than the monthly checks?

20 A. Not to my knowledge.

21 Q. Now did you become -- I believe you mentioned that you were  
22 not on the tribal council for a certain time period in 2005, is  
23 that right?

24 A. I came back on in late 2005. I was off for a year.

25 Q. And when you came back on in 2005, did you become familiar

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Bradley - Direct

1 with the finances of the business?

2 A. I attempted to find the finances of the business because I  
3 wanted to know why the agreement was terminated.

4 Q. And did you find -- let's put 204 back on briefly.

5 So there's a column there that says the total gross  
6 fees collected. We looked at that before. That's about  
7 \$3.2 million, right?

8 A. Yes.

9 Q. And there's a column also that says Dollar Amount Funded on  
10 each of the days, and there's a total for that, too, right?

11 A. Yes.

12 Q. It's about \$2 million?

13 A. Yes.

14 Q. So the difference, would you agree, is about \$1.2 million,  
15 roughly?

16 A. Yes.

17 Q. When you looked into the finances, when you became -- when  
18 you got back on the council in 2005, did you find or uncover  
19 the tribe had an additional 1 million or so dollars?

20 A. No. I didn't find anything.

21 Q. By the way, Mr. Bradley, you mentioned there's a  
22 corporation KLC, Inc., right?

23 A. Yes.

24 Q. To your knowledge did Mr. Tucker ever become an officer or  
25 have any position on KLC, Inc.?

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Bradley - Direct

1 A. Not to my knowledge.

2 Q. And is that something you would have known about?

3 A. I would have known about it, yes.

4 Q. Did Mr. Tucker ever become a secretary of KLC, Inc. or any  
5 other tribal corporation?

6 A. No. He wouldn't have been.

7 Q. I'm going to show you what's been marked as Government  
8 Exhibit 209. Okay. What is 209?

9 A. Corporate certificate of authority.

10 Q. And do you see KLC, Inc. anywhere there?

11 A. Yes. It's -- it's listed -- it's Scott Tucker certifies as  
12 secretary of the KLC.

13 MR. VELAMOOR: First of all, before we go through the  
14 document, your Honor, the government offers 209.

15 THE COURT: Any objection?

16 MR. ROTH: No, Judge.

17 THE COURT: Received.

18 (Government's Exhibit 209 received in evidence)

19 MR. VELAMOOR: Ms. Grant, why don't we now display it  
20 for the jury and highlight the first paragraph.

21 Okay. "I, Scott Tucker, do hereby certify that I am  
22 secretary of KLC, Inc., a corporation organized under the laws  
23 of the state of Kickapoo reservation, that the following is a  
24 true, complete, and correct copy of resolutions adopted at a  
25 meeting of the board of directors of said corporation, duly and

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Bradley - Cross

1 properly called and held on the 3rd day of March 2004."

2 Okay. Can you come out of that for a second.

3 And go to the next page. And can you highlight the  
4 signature.

5 BY MR. VELAMOOR:

6 Q. And what's the name written there?

7 A. The name is Scott Tucker.

8 Q. There's also a signature above that.

9 Okay. Mr. Bradley, have you ever seen this document  
10 before?

11 A. No, I've never seen it before.

12 MR. VELAMOOR: No further questions.

13 THE COURT: All right. Cross-examination.

14 MR. ROTH: Thank you, your Honor.

15 CROSS EXAMINATION

16 BY MR. ROTH:

17 Q. Good afternoon, sir.

18 A. Good afternoon.

19 Q. Had you met -- did you meet Mr. Tucker when you went up to  
20 his facility?

21 A. I don't recall meeting him up there. I recall meeting with  
22 some of his people. We were -- we were led with our business  
23 manager, Jerry Aday, who, you know, set up the -- and arranged  
24 for us to come down there, so I don't recall meeting with him  
25 at all.

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Bradley - Cross

1 Q. And you mentioned that Jerry Aday is your business manager,  
2 business development manager, is that correct?

3 A. Yes.

4 Q. Okay. And why is it that the Kickapoo tribe needs a  
5 business development manager?

6 A. Because we needed someone to oversee and enhance our  
7 current business operations that exist on the reservation.

8 Q. And at that time period, in 2003, what were the economic  
9 conditions of the Kickapoo tribe?

10 A. We really weren't bad off at the time. We had a casino  
11 that was -- was working pretty well, but we didn't have other  
12 businesses, but our existing businesses were kind of stagnated.  
13 They needed to be enhanced.

14 Q. Okay. And are you in a remote area?

15 A. Yes, we are.

16 Q. And when you say remote, to me it may be different than to  
17 you, with all the land that you have.

18 A. Yes.

19 Q. So how would you describe that, sir?

20 A. Well, one of the problems we have and difficulties is we  
21 don't have any motels within 20 miles of the reservation, but  
22 we do have the casino and we do have this truck plaza and a  
23 trading post.

24 Q. The casino is on the reservation?

25 A. Yes, it is.

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Bradley - Cross

1 Q. And when did you develop that casino, sir?

2 A. The casino itself I believe was developed in 1998.

3 Q. And in conjunction with who, the venture?

4 MR. VELAMOOR: Objection, your Honor.

5 THE COURT: Overruled.

6 A. The -- in conjunction with who, you say?

7 Q. Yeah. Who brought that venture? Who created it?

8 A. Well, the -- the tribe itself decided to go into it,  
9 establish the means with organizing under the national gaming  
10 laws.

11 Q. That's the IGRA, they call it?

12 A. Yes, it is, IGRA.

13 Q. IGRA. But who did they partner with? Did somebody come --  
14 let me go back a question.

15 Did somebody come and approach the tribe and say, I  
16 have a proposal for gambling, setting up a casino, like  
17 Mr. Tucker approached the Kickapoo?

18 A. Yeah, they -- they had an org -- they had a management firm  
19 come in from South Dakota.

20 Q. Uh-huh. And do you know the name of that management firm?

21 A. I believe it was Calumet was the name of it.

22 Q. Mm-hmm. And the tribe met and decided to make a joint  
23 venture with them, so to speak?

24 A. Yes.

25 Q. And by the way, the tribe was represented by attorneys, you



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Bradley - Cross

1 had tribal attorneys at that time?

2 MR. VELAMOOR: Objection, your Honor. Relevance.

3 THE COURT: Sustained.

4 Q. Okay. And let me just, if I may -- you said that the  
5 company was going to manage the casino. Was the company going  
6 to fund the operation, build the operation?

7 MR. VELAMOOR: Objection, your Honor. Relevance.

8 THE COURT: Sustained.

9 Q. Well, how many -- you said Mr. Aday's role with the tribe  
10 was to bring business ventures to you, is that right?

11 A. Right.

12 Q. And approximately during the period of time before  
13 Mr. Tucker, through the services of Mr. Aday, brought this  
14 venture to the Kickapoos, how many solicitations did your tribe  
15 receive?

16 A. None that I know of. His job was to enhance the businesses  
17 as they exist. It is also to attempt to bring in economic  
18 development opportunity, and that was a new position, by the  
19 way.

20 Q. Okay. And since that time have you had others?

21 A. No.

22 Q. And do you operate the tribe or does the outside company  
23 operate the tribe?

24 A. No. The tribe is run by the tribal council, business  
25 committee.

H9d1tuc6

Bradley - Cross

1 Q. The casino itself, though.

2 A. The casino is operated --

3 MR. VELAMOOR: Objection, your Honor.

4 THE COURT: Sustained.

5 THE WITNESS: Yes.

6 Q. Okay. At the time that Mr. Aday brought that proposal to  
7 the Kickapoos, the Kickapoo had an attorney, is that right?

8 MR. VELAMOOR: Your Honor, which -- I'm not sure which  
9 proposal we're talking about.

10 Q. The Tucker proposal. The payday lending one; the one  
11 that's introduced into evidence that you just talked about.

12 A. At the time he came on board, we had an attorney who was  
13 new out of law school. That's all we had at the time.

14 Q. And what was the name of that attorney?

15 A. Damon Williams.

16 Q. Did you have another attorney named Elsa Smith?

17 MR. VELAMOOR: Objection, your Honor.

18 THE COURT: Overruled.

19 Q. Do you remember the name Elsa Smith?

20 A. Yes, I do remember Elsa Smith.

21 Q. Was she an attorney that was employed by the Kickapoo  
22 tribe --

23 A. Yes.

24 Q. -- at the time?

25 A. She was the associate to Damon Williams.

H9d1tuc6

Bradley - Cross

1 Q. Okay. Was she just out of law school, too?

2 A. No. I'm not sure where she -- she came from.

3 Q. But I mean, you expressed that the other fellow seemed a  
4 little wet under the ears.

5 A. Yes.

6 MR. VELAMOOR: Objection. These are attorneys for the  
7 tribe, your Honor. Relevance. These are attorneys, as I  
8 understand it, for the tribe.

9 MR. ROTH: For the tribe, yes.

10 THE COURT: Yes, I understand. Overruled. I'll allow  
11 it.

12 BY MR. ROTH:

13 Q. Who's the current chief of the Kickapoo?

14 A. We don't have a chief. Chairman is a guy named Lester  
15 Randall.

16 Q. And he's running the tribe now?

17 A. No. It's run through our -- we have an executive director  
18 who oversees the tribe's activities.

19 Q. Okay. And why isn't he running the tribe?

20 A. Who, the chairman?

21 Q. Yes.

22 A. Because he has other duties to carry out, and under our  
23 constitution, it says the chairman shall be able to -- shall  
24 carry out duties under the -- prescribed by the tribal council,  
25 and -- and right now the vice chairman is handling that, those

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Bradley - Cross

1 duties as executive director.

2 Q. When the proposal was brought to you with Mr. Aday, do you  
3 recall an attorney being provided by Mr. Tucker to represent  
4 the tribe in addition to the attorneys that you had?

5 A. I recall him -- there being another attorney, yes, with  
6 him.

7 Q. Do you recall the name Cliff Cohen, by chance?

8 A. I'll be honest with you, no, I don't have a recall for who  
9 the name of the attorney was.

10 Q. But that attorney -- was it your understanding that that  
11 attorney who came with Mr. Tucker to make the presentation was  
12 paid by Mr. Tucker to represent the tribe?

13 A. I'm not aware of that.

14 Q. In respect to -- you seemed to say that you've done a lot  
15 of searching for records, I assume at the behest of the  
16 government, is that correct?

17 A. Yes, I would have to accurately say yes, at their request,  
18 but by the same token for my own information.

19 Q. Right. But the government contacted you in this case way  
20 back in 2011, is that right?

21 A. I don't recall that they -- they've never contacted me till  
22 just recently.

23 Q. Okay. Did you have an attorney named David Prager at the  
24 time in 2011?

25 A. Yes, we did.

H9d1tuc6

Bradley - Cross

1 Q. And do you recall having conversations with your attorney  
2 David Prager?

3 MR. VELAMOOR: Objection, your Honor.

4 MR. ROTH: Well, I'm not going to get into the  
5 substance of them.

6 THE COURT: Ask your question. Let's hear the  
7 question.

8 MR. ROTH: Thank you.

9 BY MR. ROTH:

10 Q. In terms of responding to a subpoena, that was issued to  
11 the tribe?

12 THE COURT: I don't think I have the first part of the  
13 question. What are you asking him to tell you?

14 Q. Do you recall having a conversation with your attorney at  
15 the time, David Prager, in regard to a subpoena that the tribe  
16 received from the United States government?

17 THE COURT: That's a yes or no question.

18 A. No.

19 MR. ROTH: Could we have 3502-01 just shown to the  
20 witness.

21 Q. Do you recall, sir, ever having a conversation with  
22 Mr. Prager concerning the --

23 MR. VELAMOOR: Objection, your Honor.

24 MR. ROTH: I'm not asking about the content yet,  
25 Judge.

H9d1tuc6

Bradley - Cross

1 THE COURT: Let me hear the question.

2 MR. ROTH: We're having a technical issue.

3 THE COURT: At this point the witness has testified  
4 that he does not recall having a conversation with Mr. Prager  
5 on the subject you pointed to. Now if you'd like to show him a  
6 document to see whether you can refresh his recollection --

7 MR. ROTH: That's what I'm trying to do. We're having  
8 technical problems, Judge.

9 THE COURT: All right. Now during the technical  
10 problems, let me talk to you about what it means to refresh a  
11 recollection. You're here in New York, and this is a city  
12 where we have two baseball teams -- New York Yankees, New York  
13 Mets. I happen to be a Mets fan. Now if you asked me, when  
14 did the Mets last win the World Series, I'd tell you it was in  
15 the fall of 1986. Now if you said to me, what date did they  
16 win, I'd say I don't remember. Now you could show me a  
17 newspaper article and the newspaper article or the headline  
18 could be "Mets Win the World Series," talking about the game  
19 the night before, and it has a date on the newspaper. And I'll  
20 look at that, and two things are possible. One is I look at  
21 that and I say, well, it looks like a newspaper, looks  
22 authentic, they say it was on this date, they must know what  
23 they're talking about, but it doesn't refresh my recollection.  
24 The document just says that. It looks like a good document, it  
25 doesn't look like a good document, but it just says it. It

H9d1tuc6

Bradley - Cross

1 doesn't refresh my recollection.

2 The other possibility is you look at it and you see a  
3 paper from October 28 talking about a game the day before on  
4 October 27<sup>th</sup>, and you say, I remember this now. That was my  
5 nephew's birthday, and we had a birthday party and, you know, I  
6 remember that. I remember it like it was yesterday. And  
7 looking at that piece of paper refreshes your recollection.

8 So what you're being asked to do is take a look at  
9 this piece of paper, read it to yourself, and the question is:  
10 Does it refresh your recollection?

11 Did you grab the gist of what I was saying?

12 THE WITNESS: Yes.

13 THE COURT: Okay. Thank you.

14 A. Now the question is, you're saying do I recall this?

15 Q. Do you recall being contacted by a government agency in  
16 2011 regarding the affairs of --

17 A. I don't recall that.

18 Q. And that document doesn't help refresh your recollection?

19 A. No, it doesn't.

20 Q. Thank you. When was the first time you were contacted by  
21 anybody at the front table there, in regards to this  
22 investigation?

23 A. I believe it was probably about six months ago.

24 Q. Is that physical contact or personal contact as well?

25 A. It was by phone.

H9d1tuc6

Bradley - Cross

1 Q. And you think that that was six months ago, sometime in  
2 2017 or 2016?

3 A. I would say '17.

4 Q. And that was the very first --

5 A. No. I think it's 2016. Because we're in '17, and I  
6 believe it was late in the year when they called and were  
7 asking questions about this.

8 Q. So that was the first time. Do you know which of these  
9 gentlemen you spoke to?

10 A. I don't recall. I know that the -- the first contact that  
11 I became aware of was with the tribal attorney, who in fact  
12 told me that they had -- they were inquiring about this and  
13 wanted to visit with me about it.

14 MR. ROTH: Okay. I'm going to ask that the witness be  
15 shown 3502-02 and ask him if that refreshes his recollection  
16 when the first time he had contact with anybody at the first  
17 table.

18 THE COURT: So the question is, does it refresh his  
19 recollection on the date.

20 MR. ROTH: On the date, yes, the date and the year.

21 A. Yeah, I -- I believe I remember -- yeah, I remember this.

22 Q. Okay. So now is your recollection refreshed as to the  
23 first time that any of the gentlemen seated at the first row  
24 contacted you in regard to this investigation?

25 A. Yes. I don't remember the names.



H9d1tuc6

Bradley - Cross

1 Q. Okay. Forget the names. We're just trying to get at the  
2 date. After reading that document, having your memory  
3 refreshed, is it fair to say it would be --

4 THE COURT: No. Ask the witness. Go ahead.

5 What's your refreshed recollection as to when you were  
6 first contacted by the government? If you have one.

7 THE WITNESS: I don't have details on when they  
8 actually called, but I -- the discussion, yes, I believe was  
9 held back then.

10 THE COURT: Back when?

11 BY MR. ROTH:

12 Q. Back when?

13 A. Back in December of 2014.

14 Q. So that was the first time. It wasn't 2016.

15 A. It wasn't 2016. I got a lot of things I have to worry  
16 about than dates, so --

17 Q. Okay. We all do.

18 Okay. So from that time, December, in December 2014,  
19 did the government ask you to make efforts to search all your  
20 records, the Kickapoo tribe's records that were in your  
21 possession concerning this investigation?

22 A. I believe they asked if we had those records and we  
23 searched.

24 Q. Okay. And what did you come up with, sir?

25 A. What we came up with is what I -- the first document you

H9d1tuc6

Bradley - Cross

1 saw regarding the proposal they made to the tribe.

2 Q. And you couldn't come up with the signed copy of the  
3 service agreement?

4 A. No.

5 Q. And did you have the financials --

6 A. No.

7 Q. -- that were shown?

8 A. No.

9 Q. Do you have -- do you keep copies of the tribal board  
10 meetings?

11 A. We have -- yes, we have records of tribal council meetings,  
12 yes.

13 Q. Okay. Did you search for a copy of any resolutions  
14 incorporating what you referred to as the KLC Corporation, the  
15 tribal lending corporation that was formed?

16 A. I found a document that -- where it was -- where it was  
17 first proposed to the tribe and acted on by resolution, and  
18 that's the one I testified on just earlier, where the vote was  
19 two to two.

20 Q. Right. But my question to you, sir, is: Did you find any  
21 articles of incorporation?

22 A. No.

23 Q. And do you have any question in your mind that the  
24 corporation was formed?

25 A. No.

H9d1tuc6

Bradley - Cross

1 Q. So you believe it was formed.

2 A. Yes, I do.

3 Q. Okay. I'm going to show you, sir, what has been marked as  
4 Defendant's 124 and ask you to review that document. You don't  
5 have to read the whole thing, it's a lengthy document, but if  
6 you can skim that.

7 A. I don't recall the document itself, no.

8 Q. Can you recognize the signature, sir, on the last -- on the  
9 eighth page?

10 A. The signature is Kenneth Jessepe, yes, who was the tribal  
11 secretary at the time.

12 Q. He was the secretary?

13 A. He was the tribal secretary at the time.

14 Q. And what time was that, sir?

15 A. It had to have been in 2004.

16 Q. And were you on the tribal council then? What was your  
17 position?

18 A. I was the treasurer at the time.

19 Q. So would you have had to have voted on the formation of  
20 this tribal entity?

21 A. We would have -- we would have voted. I don't recall  
22 voting on this particular entity. I recall voting on this --  
23 the tribal council minutes which said two to two and the  
24 chairman voting the tie. That's all I recall. I don't recall  
25 seeing any documents that came from that meeting.

H9d1tuc6

Bradley - Cross

1 And in fact, in my records, in the records that I  
2 maintain, I usually keep jackets and files of transactions of  
3 the tribe, and I don't have anything on it.

4 Q. A tribal corporation such as KLC that was formed under the  
5 articles of the tribe, the tribal law, that becomes what we  
6 call an arm of the tribe, is that correct?

7 A. Yes.

8 Q. And could you explain for the members of the jury what an  
9 arm of the tribe is.

10 MR. VELAMOOR: Objection, your Honor.

11 THE COURT: Sustained.

12 Q. Is it your understanding, sir, that the KLC Corporation  
13 enjoyed tribal immunity, sovereign immunity?

14 MR. VELAMOOR: Objection.

15 THE COURT: I'll allow it.

16 A. No, they don't have tribal sovereign immunity.

17 Q. And what is that answer based on, sir?

18 A. It would be written into the articles of incorporation  
19 where the tribe would give them the option of waivering that.

20 Q. Of waiving it?

21 A. Yeah, of waivering -- of waiving those issues.

22 Q. And you haven't read the whole document, is that right?

23 A. No, I haven't. It's the first time I'd seen it.

24 Q. Now you said you received various checks from the UMS, is  
25 that correct?

H9D8TUC7

Bradley - Cross

1 A. Yes.

2 Q. Okay. And by the way, in terms of the checks that you  
3 received, you indicated that there was a computer and that  
4 there was access in this makeshift office, office on the tribal  
5 grounds where one could access the financial records, is that  
6 right?

7 A. To my understanding, that's right.

8 Q. Well, I thought I heard you say -- and correct me if I'm  
9 wrong -- that you on occasion accessed them.

10 A. I did not access it.

11 Q. Okay. Did you see anyone else access them?

12 A. No.

13 Q. Did you ask or know of anybody who asked to access them  
14 from UMS?

15 A. No.

16 Q. Do you know of any occasion when requests were made for  
17 financial records that was not granted by UMS?

18 A. No.

19 Q. Do you know, did you have access to all of the tribal bank  
20 accounts in 2004?

21 A. The tribal bank accounts, yes.

22 Q. And how many tribal bank accounts did you have?

23 A. I can't answer that. There were numerous ones.

24 (Continued on next page)

H9D8TUC7

Bradley - Cross

1 BY MR. ROTH:

2 Q. How many different banks?

3 A. Probably about ten.

4 Q. You were the treasurer?

5 A. Yes.

6 Q. When the service agreement -- you said you couldn't find an  
7 executed copy of the service agreement, is that correct?

8 A. Yes.

9 MR. ROTH: I am going to ask that the witness be shown  
10 Defendants' 125.

11 THE COURT: Ladies and gentlemen, I hate to leave you  
12 in suspense, but you are going to have to wait until tomorrow  
13 morning on that.

14 So, ladies and gentlemen, you know what I am going to  
15 tell you, but I am going to say it anyway. Do not discuss the  
16 case among yourselves. Do not discuss the case with anybody.  
17 Do not do any research on your own, no Internet searches, no  
18 conversations with anyone, no study on your own. Put it out of  
19 your mind. You will be back tomorrow. It's soon enough. You  
20 have plenty of things to do.

21 See you tomorrow, 10 minutes to 10 for a 10:00 start.

22 (Jury exits courtroom)

23 THE COURT: Have a very pleasant evening, everyone.

24 Thank you.

25 (Adjourned to September 14, 2017, at 10:00 a.m.)

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